DEC 26 1941

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OUR REPORTER'S REPORT

The investment banking world, rounding out a year which has brought more than the usual quota of ups and downs, is inclined to look forward to 1942 with a degree of expectancy.

Except for a smattering of loose-ends, consisting chiefly of off-the-market offerings of blocks of stocks, such as the 75,000 shares of General Motors common placed on Tuesday, the underwriting bankers consider their business year just about closed.

The let-down which came in the wake of the outbreak of war between the United States and Japan naturally has offset plans of corporations which had been contemplating refundings or new money operations.

But that setback to the

(Continued on Page 1646)

Over-The-Counter Dealers Must Unite

Newspaper Quotations Now Make It Impossible To Conduct Business At Profit

In our issue of December 18 we carried an article under the above heading. It disclosed the situation which has arisen under the new NASD system of preparing quotations on over-the-counter securities for publication in the press.

We concluded with a request that our readers most concerned write us their views on the subject.

Today we present some of the replies that have been received.

Further comments and suggestions are urgently asked. Requests that names not be printed will be scrupulously observed.

Within the past year my firm has devoted much of its efforts to the sale of fire insurance and casualty securities. Due to the fact that investors are unfamiliar with insurance stocks, far more sales effort is required to close business. It is certainly worth more commission than the narrow published spreads will allow. Investors should be willing to pay more than an order taker's commission to become informed of the fine record of insurance stocks.

As a specific example of service—one of my customers, within the past month, agreed to sell five Buncombe County, N. C. bonds and invest the proceeds in 140 shares of insurance stocks. This customer permitted me to time the purchase, which is still pending. At the current market the possible saving amounts to $2 per share on the 140 shares, which approximates two years interest. Surely I should be entitled to more than the ¼ point spread between our National Daily Quotation Service sheet and the newspaper quotation. The stock to be purchased is New Amsterdam Casualty which is shown in the quotation sheet of December 17 at 17¾ bid—offered at 18¾ in two cases and at 18¼-19 in another. The Cincinnati *Enquirer* of the same date shows a quotation of 17¾ bid—offered at 18¾ for this same stock. In this case a $35 commission seems out of all proportion to the service rendered.

This is merely the execution phase of the order and does not take into account the analytical work required to select the better values for customers. Of course, the customer may be sold on the value of these services, but the comparison of newspaper quotations on insurance stocks with quotations of listed stocks will persist in his mind. I believe that the service rendered is of a professional nature comparable to that of a lawyer or doctor and it should be unnecessary to explain all the elements involved in the fee.—*L. H. Harrison (Cincinnati), Browning and Company.*

Following are a group of leading Bank, Insurance and Industrial over-the-counter stocks. This study shows in a most revealing way that the present quotations furnished to the press by the NASD allow far too small a profit margin if a Dealer is guided by these quotations in conducting his business.

This study takes into consideration two important factors that the sponsors of these quotations seem to have overlooked. Columns (E) and (F) show the amount of gross profit after deductions of two important items. These figures are net after a deduction of $8.00 per hundred shares for average costs that are always part of a transaction when the Dealer acts as principal (taxes, clearance charges, wire and teletype expense, mailing and transfer charges,

(Continued on Page 1642)

President Accepts Industry-Labor Ban On Strikes; Closed Shop Issue Remains

President Roosevelt on Dec. 23 accepted the three-point general agreement reached by management and labor for uninterrupted production in defense industries for the duration of the war. The plan, proposed by Senator Thomas (Dem. of Utah), Chairman of the Senate Labor Committee and Associate Moderator of the joint conference, provides that (1) there shall be no strikes or lockouts, (2) all disputes shall be settled by peaceful means, and (3) the President shall set up a proper war labor board to handle these disputes.

Before the President's intervention, the conference of 12 industry and 12 labor representatives, had been deadlocked because of industry's demands for inclusion of a fourth provision, i.e., the closed shop be ruled out as an issue for governmental arbitration. However, the President directed that the three-point formula be accepted thus turning down the fourth point for which industry had been holding out. The President stepped into the dispute on Dec. 23 after William H. Davis, Chairman of the National Defense Mediation Board and Moderator of the conference, and Senator Thomas had informed him of the deadlock over the closed shop question.

Mr. Roosevelt's letter to the conference, read on Dec. 23 by Mr. Davis, follows:

> Gentlemen of the conference:
>
> Moderator Davis and Senator Thomas have reported to me the results of your deliberations. They have given me each proposition which you have discussed. I am happy to accept your general points of agreement as follows:
>
> 1. There shall be no strikes or lockouts.
> 2. All disputes shall be settled by peaceful means.
> 3. The President shall set up a proper War Labor Board to

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Over-The-Counter Dealer Must Unite

(Continued from First Page)

etc.). There is also a division of the balance remaining based upon a 50/50 commission arrangement. We don't believe that anyone expects salesmen to work without compensation nor do we believe that any Dealer today can hire competent men for much less than this basis of about one half the gross after taxes, etc.

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Bank Stock Group—							
Bank of Manhattan	13⅜–14⅜	13⅝–14	¼ point	¾ point	$8.50	$14.75	$1,400
Chase National	24½–25½	25 –25¼	½ point	¼ point	21.00	8.50	2,500
National City	23 –24	23¼–23⅝	¼ point	⅜ point	8.50	14.75	2,350
Bankers Trust	43⅞–45⅜	44¼–44¾	⅜ point	⅝ point	14.75	27.25	4,500
Chemical Bank & Trust	39⅜–40⅞	39½–40	⅛ point	⅞ point	2.25	39.75	4,000
Empire Trust	41¼–43¼	41 –42½	None	¾ point	None	33.50	4,300
Irving Trust	9½–10½	9⅝– 9⅞	⅛ point	⅝ point	2.25	27.25	1,000
Manufacturers Trust	31⅝–32⅞	31¾–32½	⅛ point	⅜ point	2.25	14.75	3,300
Total					$59.50	$260.50	$23,350
Insur. Stock Group							
Aetna Life	24 –25	24¼–24¾	¼ point	¼ point	$8.50	$8.50	$2,500
American Equitable	17⅜–18⅜	17½–18¼	⅛ point	⅛ point	2.25	2.25	1,800
American Surety	46½–48	47 –49	½ point	1 point	21.00	46.00	4,700
Baltimore American	6 – 6¾	6 – 6⅜	None	⅜ point	None	14.75	650
Camden Fire	19¼–20¼	19½–20¼	¼ point	None	8.50	None	2,000
Firemen's	8¼– 9	8⅜– 8¾	⅛ point	¼ point	2.25	8.50	900
Great American	25¾–26¾	26 –26½	¼ point	¼ point	8.50	8.50	2,600
Hanover	24½– 5½	24⅝–25⅛	⅛ point	⅜ point	2.25	14.75	2,500
Home Insurance	26⅛–27⅛	26¼–26¾	⅛ point	⅜ point	2.25	14.75	2,700
New Brunswick	31⅞–33⅜	32 –33	⅛ point	⅜ point	2.25	14.75	3,300
Prov. Washington	31 –32½	31 –32	None	½ point	None	21.00	3,200
Westchester Fire	33⅜–35⅛	34 –34¾	⅝ point	⅜ point	22.25	14.75	3,500
Total					$80.00	$168.50	$30,350
Industrial Stock Group							
Am Cyanamid pref.	11¼–12	11⅜–11⅝	⅛ point	⅜ point	$2.25	$14.75	$1,200
American Hardware	18⅝–19⅝	18½–19½	None	⅛ point	None	2.25	1,900
Autocar Co	18⅜–19⅜	18½–19	⅛ point	⅜ point	2.25	14.75	1,900
General Machinery	27⅜–28⅞	27 –28¼	None	⅝ point	None	27.25	2,900
Giddings & Lewis	10⅝–11⅝	10½–11¼	None	⅜ point	None	14.75	1,100
Great Lakes S. S.	38⅜–40⅜	38 –40	None	⅜ point	None	14.75	4,000
Harrisburg Steel	14⅞–15⅞	15 –15½	⅛ point	⅜ point	2.25	14.75	1,500
P. R. Mallory	9½–10½	9½–10½	None	None	None	None	1,000
Ohio Match	7⅜– 8⅜	7½– 8¼	⅛ point	⅛ point	2.25	2.25	800
Remington Arms	3⅜– 4⅜	3⅝– 3⅞	None	½ point	None	21.00	450
Superior Tool & Die	2⅛– 2⅝	2¼– 2½	⅛ point	⅛ point	2.25	2.25	200
Triumph Expl	3 – 3⅝	3⅛– 3⅜	⅛ point	¼ point	2.25	8.50	350
Warner & Swasey	16⅜–17⅜	16½–17	⅛ point	⅜ point	2.25	14.75	1,700
Total					$15.75	$150.00	$19,000

(A) Newspaper quotes, Dec. 13, 1941.
(B) Actual markets, from National Dly. Quot. Serv., Dec. 13, 1941.
(C) Total gross if dealer acts as principal—Buy side.
(D) Total gross if dealer acts as principal—Sell side.
(E) Net profit to salesman or to house on a basis of a 50% commission and after deduction of $8.00 per hundred for average handling expense—Buy side.
(F) Net profit to salesman or to house on a basis of 50% commission and after deduction of $8.00 per hundred for average handling expense—Sell side.
(G) Total market value in dollars, 100 shares.

Does any one who has ever run any kind of a business believe that the average Dealer can exist on the basis of such profits as are shown here? In the Bank group, for handling over $23,000 worth of securities, his profits on the Buy and Sell side amount to about ¼ of 1% and ½ of 1% respectively. The same in the Insurance group and in the Industrials it's even worse.

The SEC doubtless wishes to be of the utmost service to investors. What better purpose could the Commission serve than to see to it that the excellent and liquid markets for many of these leading issues in the over-the-counter group is maintained and preserved? In order to insure orderly and liquid markets it is absolutely essential that dealer activity is encouraged and not discouraged. Dealer activity is based upon sales effort. Unless salesmen go out in the highways and the byways and talk to investors—unless they put in many an hour of hard, discouraging work—and regardless of any arguments to the contrary, we know from actual contact with dealers and salesmen all over the country even leading insurance and bank stocks today have to be sold. People just do not call up and buy them. There are no lines waiting to buy in broker's offices. Selling stocks is one of the hardest, most thankless and difficult ways of earning a living that anyone could choose under today's conditions. In order to get anyone to do it they at least must have sufficient incentive to make the effort worth while.

Based upon the meagre commissions that this study indicates the average salesman would earn how could anyone except any Dealer to be interested in hiring a sales force and in trying to build an organization for the distribution of securities? It is time for a realistic appreciation upon the parts of all concerned of the seriousness of the problem that this condition has brought about. A revision of these quotations is vital to the continuance of the over-the-counter business.—*Anonymous (New York City).*

I read with great interest the editorial on the first page of your good publication dated Thursday, December 18, 1941, in reference to the narrow spreads existing in the published financial column in this country in regard to bank and insurance stocks.

This firm, for a number of years, have been large distributors of New York bank stocks and insurance stocks in this territory. We have felt that in selling this class of merchandise, we were offering our clients the best securities that it was possible for them to buy as a long term investment, but today with the existing quotations, we find that we cannot offer these securities to our clients and make any profit, and this seriously affects our business and our ability to continue in the investment banking business. We have never tried to extort an exorbitant profit from the client in the distribution of bank and insurance stocks, and it has been our practice to try to deliver these securities to our customer much below the existing asked price, but we now find that most of the time we cannot even buy the stocks ourselves at the existing asked price as published in the paper, and feel that the narrow spread now existing is wholly unjustified and eliminates our sales force from offering bank and insurance stocks which this firm contends are pre-eminent investments for the average individual.

The investment banking fraternity will owe your distinguished publication the deepest gratitude if there is any way in which you can have this present quotation service revised.—*W. Carroll Mead (Baltimore).*

We are writing to tell you that we feel that your article "Over The Counter Dealers Must Unite" is extremely timely.

Our little shop activities are predicated on dealing in those seasoned Over The Counter Securties such as Utility preferred, Bank and Fire Insurance stocks.

We have, indeed, been greatly disturbed by the almost vanishing differential between wholesale and retail bid and ask prices. In our conversation with dealers in the Cleveland district we find they too are complaining about this. It really seems to us that it is making existence almost impossible for those who wish to deal in high grade Over The Counter stocks.—*Anonymous.*

Your editorial on the front page of your current issue struck me as touching upon one of the most important problems of the day concerning non-member houses, and I hope your effort to stimulate action looking toward the revision of quotations on unlisted securities, as now published in the daily papers, will prove successful.

Unless these quotations at very narrow spreads between bid and asked prices are revised to reflect a realistic view of the markets that actually exist for over-the-counter securities, we are afraid that thousands of non-member firms and tens of thousands of holders of unlisted securities will suffer irreparable loss. For if the machinery for the distribution of securities as represented by these non-member houses is scrapped, by the elimination of all opportunity to realize profit from the sale of unlisted securities, then the vast majority of unlisted stocks, representative of companies with capitalizations of a few hundred thousand shares, inevitably and quickly will lose a large part of their present marketability.—*George Geyer (New York City), Huff, Geyer & Hecht, Inc.*

If we must sell securities and stay within the range of quotations as now shown in the newspapers, it will be impossible for us to stay in business.

As a specific example: Home Insurance is quoted 26⅝ to 27⅝ in the Louisville Courier Journal this morning; the inside market is 27 to 27⅜. On a sale of 100 shares, which is a $2,762.50 transaction, the gross profit would be $25.00, or approximately 9/10 of 1%. Out of that we pay our salesmen $12.50, leaving $12.50 for the house out of which must come teletype charges, taxes, shipping charges and overhead.

The salesman making the sale probably traveled a total of anywhere from 50 to 150 miles, spent anywhere from 30 minutes to an hour or more to make the sale, and it is entirely possible has had to make several calls to complete the transaction.

I do not believe there is any other retail business that is expected to work on such a narrow margin of profit. . . .

If the unlisted dealers are put out of business, what will happen to the markets on the thousands of unlisted securities? Many issues

(Continued on Page 1647)

J. B. Cornell To Join Atlantic Investing

As of Jan. 1, 1942, John B. Cornell, Jr., will become associated witn Atlantic Investing Corporation, 67 Wall Street, New York City, dealers and brokers in over-the-counter stocks and bonds. Mr. Cornell will continue to specialize in reorganization securities and railroad bonds.

John B. Cornell, Jr.

Mr. Cornell has been manager of the reorganization securities department of Roggenburg & Company since 1938, and prior thereto was a partner in DuVal, Cornell & Co. In the past he was manager of the railroad and industrial bond departments of Hammons & Co., Inc., and was witn Hoit, Rose & Troster, and J. P. Morgan & Co. He is one of the original members of the Security Traders Association of New York and is active in the affairs of the National Security Traders Association.

Now Hanna-Kramer Co.

BURLINGTON, IOWA — The firm name of W. D. Hanna & Company has been changed to Hanna-Kramer Company and the main office is now located in the Farmers' and Merchants' Bank Building in Burlington. Officers and personnel of the organization are unchanged.

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Frederick W. Jones, Managing Editor
William Dana Seibert, President
William D. Riggs, Business Manager
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Results Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on Dec. 22 that the tenders for $150,000,000 or thereabouts, of 82-day Treasury bills, to be dated Dec. 24 and to mature Mar. 16, 1942, which were offered on Dec. 19, were opened at the Federal Reserve Banks on Dec. 22. The following details of this issue are revealed:

Total applied for	$352,938,000
Total accepted	150,174,000

Range for accepted bids (excepting two tenders totaling $220,000):

High—99.966. Equivalent rate approximately 0.149%.

Low—99.927. Equivalent rate approximately 0.320%.

Average Price—99.933. Equivalent rate approximately 0.295%.

(74% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Dec. 24 in amount of $100,742,000.

The Treasury Department announced on Dec. 18 its plan to reduce the maturity of the weekly bills so that they will fall due during the week of March 16—income tax week. It intends to pay off four of its weekly bill offerings amounting to about $600,000,000 in the week of March 16 with tax receipts in a move designed to keep the money market level. Normally the bills have a 91-day maturity and are paid off a week apart. The next two weekly bill offerings of $150,000,000 each will be dated so as to provide for their maturity in about 75 days or less.

Coggeshall & Hicks To Admit W. F. Purcell

Walter F. Purcell will become a partner in Coggeshall & Hicks, 111 Broadway, New York City, members of the New York Stock and Curb Exchanges, on Jan. 1.

Ralph T. Ryan To Join Corrigan, Miller Co.

MIAMI, FLA.—Ralph T. Ryan, formerly with R. S. Dickson & Company in New York City, will become associated with Corrigan, Miller & Co., Inc., Alfred I. du Pont Building, as of Jan. 1, 1942. Mr. Ryan has been active in New York trading circles for many years; prior to his association with R. S. Dickson & Co. he was an officer and manager of the sales department of D. M. S. Hagerty & Co., Inc., was New York manager for Dickson & Co., was in charge of the retail sales department of J. G. White & Co.; in the past he was with J. H. Holmes & Co. and conducted his own investment business in New York.

Toronto Bond Traders Elect '41-'42 Officers

TORONTO, ONT., CANADA—The Toronto Bond Traders Association at its annual meeting elected the following officers for the year 1941-1942:

President: A. E. Oliver, Wood, Gundy & Co., Ltd.

Vice-President: J. A. Brewster, W. C. Pitfield & Co., Ltd.

Secretary: D. G. Simpson, Midland Securities, Ltd.

Committee: H. D. Beatty, Brawley, Cathers & Company; C. W. McBride, Gardiner, Wardrope, McBride, Ltd.; James Wilson, A. E. Ames & Company, Ltd.; D. K. Cassels, Chochran, Murray & Company, Ltd.; George Rose, Goulding, Rose & Company, Ltd., and L. M. Wightman, Fairclough & Company.

Alexander Co. Opens Kansas City Branch

KANSAS CITY, MO.—Alexander & Company, Inc., Chicago investment firm, announces the opening of a branch office in the Dwight Building to conduct a general investment and securities business. The new office will be under the direction of I. S. Bruce, who is being transferred from the firm's Chicago office. Associated with Mr. Bruce will be James H. Matthews, Harry H. Heuler, Edwin H. Lahrman, John D. De Vault and Albert L. Sholders, all formerly with John J. Seerley & Co., Inc.

Jas. P. Doherty Will Rejoin Clement Curtis

CHICAGO, ILL.—James P. Doherty, member of the Chicago Stock Exchange and Chicago Board of Trade, will become a partner in Clement, Curtis & Co., 134 South La Salle Street, members of the New York and Chicago Stock Exchanges, on Jan. 2. Mr. Doherty was recently in business as an individual and prior thereto was with Clement, Curtis & Co. and for many years was a partner in S. B. Chapin & Co.

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J. S. Bache Co. Sees War Economy Presenting New Problems For Investment Portfolios

In a study on "American Business in Wartime," J. S. Bache & Co., 133 Wall Street, New York City, members of the New York Stock Exchange and other leading national exchanges, point out that a war economy presents new problems to investors. In discussing these problems, the company states that it will be necessary for investors to—

1. Commit a substantial share of their funds to the purchase of Government defense bonds, without which successful prosecution of the war and return of reasonably normal economic activity can not be effected; and

2. Determine what securities they wish to retain in their portfolios and what percentage of cash they wish to reserve as additional investment buying power.

"For some months," the study says, "American business has been functioning under semi-war conditions. Controls of various kinds have been instituted; priorities and allocations of raw materials have been increasing; shortages have developed in many industries; taxes have been increased and Government loans have expanded materially.

"During this period it has been apparent that some industries were in a position to adjust themselves to the changed conditions more readily and more economically than others. It has also been apparent that as we moved into a state of actual war some enterprises would find themselves in the category of 'non-essential' industries. The companies in these categories will sooner or later find themselves without the necessary raw materials with which to carry on their activities."

In classifying industries from the point of view of their favorable or unfavorable prospects under present conditions, the study states that chemical, coal, meat packing, railroad equipment, shipbuilding, shoes and leather, steel and iron, sugar, textile and truck securities are among those which may be most stimulated by war-time demand and not likely to be too severely affected by taxation.

"Getting" Dealers Or "Protecting" Investors? The Louisville Gas & Electric Company Case

It has long been a claim of some investment bankers that the SEC doesn't like the way they tie their tie, anyway, and is out to get them, regardless.

That is, regardless even of the investors whom it is mandated to protect.

It is a hard case to prove—almost impossible. Yet incidents do become public in which the weight of evidence seems to show it. For instance, the recent offering of Louisville Gas & Electric Company common stock.

Possibly at stake is the underwriters' share in a large prospective volume of financing of local operating companies under the death sentence in the Utility Act of 1935. If the Louisville case is a precedent that share will be a small one, in a lot of future business.

The company asked SEC permission to by-pass Rule U-50 and avoid competitive bidding. The Commission granted it because of (Commissioner Purcell told the Lea Committee) "the provision in the . . . rule which grants an exemption where the Commission finds that competitive bidding is not necessary in order to assure . . . competitive conditions or the receipt of adequate consideration . . ."

The "consideration" was certainly adequate. Freed from competitive bidding, the company puts its own price on its own stock—$23.50. The SEC found that this price "was not outside a reasonable range."

Dealers were offered a share in the distribution, with a 75-cent spread.

They kicked and refused on two grounds. First, they objected to the company's selling its own stock. Second, they thought the price was too high. They figured it was worth only 22.

So the company undertook the sale itself.

It has gone very badly.

Wind of this came to two Congressmen on the Lea Committee. They questioned Mr. Purcell. He indicated that the final disagreement between company and dealers was not over price but over the company's selling its own stock. The Louisville dealers heard of this and sent a hot wire to the Committee, saying for the record that this wasn't so.

To this the record now carries a rather lame reply from Commissioner Purcell. He said: "One must distinguish between the basis of the dealers' opposition to the method of financing as they gave it at the hearing, and the

(Continued on Page 1650)

B. S. LICHTENSTEIN
AND COMPANY

I heard the bells on Christmas Day
Their old, familiar carols play,
And wild and sweet
The words repeat
Of peace on earth, good-will to men!
—*Longfellow*

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Newburger, Loeb To Admit A. Newburger

Andrew M. Newburger will become a partner in Newburger, Loeb & Co., 40 Wall Street, New York City, as of Jan. 1, 1942. Mr. Newburger has been associated with the firm since 1939 in the statistical department.

Newburger, Loeb & Co., established in 1900, are members of the New York and Philadelphia Stock Exchanges, the New York Curb Exchange and the Chicago Board of Trade.

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"JOTTINGS"

Calvin Coolidge or somebody said that a "leader" was somebody who could keep far enough ahead of his followers to avoid being run over. That sounds like some people in Washington today. Particularly in relation to the Far East.

The public surprised the Army and Navy on enlistments.

It swamped the Treasury on defense bond purchases, up 175% since Pearl Harbor. In fact private business seems to have been well ahead of the Treasury for some time in readiness to get going on defense bond sales.

Again, the OPM is still allowing tin to go into tubes for shaving cream, into beer cans, and into cans for dog food—or was until a week ago. That tin has to be convoyed by the Navy. Of course the public would give them up willingly.

The OPM seems to be bogging down again. Left-wingers, parrot-like, have accused its dollar-a-year men of too much "business as usual" ever since it was set up. But now the armed services and the Administration are beginning to express the same opinions though somewhat sotto voce.

In fact, Far Eastern affairs have been a case for years of where the public was ahead of the Government. Remember those polls a couple of years ago in favor of an embargo on war materials to Japan.

And remember how slow Congress and the Administration were in the stock-piling program for Far Eastern materials. If you don't, ask any silk man. The silk trade was at Washington for a year to increase the imports of silk. But when we embargoed it in August we were caught so short that silk mills had to shut down abruptly.

In general, the same happened in Britain. It was public pressure which pushed the Government there into rationing, concentration of civilian output in "nuclear plants," and other measures.

And speaking of rationing, Washington is a-buzz with talk of it, yet Washington officials seem reluctant to mention it to or discuss it with the public. The idea seems to be that the public wouldn't accept it. All evidence runs to the contrary—i. e. that the public is far readier to go all-out for victory than the Government thinks.

Rationing is likely only in three major fields—(1) imports from the Far East; (2) things mechanical; and (3) things of metal.

There's a good time coming when we win. Immense technological advances are being made under war pressure. Scores of corporations are holding inventions and developments ready for civilian use at unprecedentedly low cost whenever the war lets up. We shall come out of the war with better planes, better highways, better railroad rolling stock, better home-building facilities, better radios, better cars, better food supplies—etc., etc.

For the duration, rationing in passenger automobile transportation may amount to little or nothing. There won't be much to ration. A three-way shortage seems likely to converge on everything but essential motor transportation—of cars, of tires, and of good gasoline. If you need it you can have it; if you don't, you can't.

A gasoline "shortage" may seem absurd in the U. S. In fact there will not be a shortage—just an inability of the industry to keep up with indefinitely expanding civilian demands during war. Bottlenecks may appear in tanker transport, refining equipment, and tetra-ethyl lead for higher octaine-rating. But it looks as though the motor industry's changeover may go so far that there'll be plenty of gasoline for those who can still get cars.

Enough of these gloomy guesses.

Pick-up in defense bond sales may considerably ease the pressure on the Treasury. They have been running round $250,000,000 a month. Now they are nearly tripled, running round $600—$700,000,000 a month. As soon as the Treasury gives the go-ahead signal to the numerous agencies ready to encourage and organize them they ought to jump to three, four, and even more times the pre-war rate. ("Pre-war" now means before Dec. 7, 1941.) That would be round $800-$1,000,000,000 or more a month—no chickenfeed at all. Over-time pay, holiday pay, bonuses, etc., are likely to go almost all into defense bonds.

And then remember that the reduction in non-defense output will mean fewer things on which the public can spend its money. Vide the decline in the mail-order stocks last week on the guess that their sales will decline. That money will be available for defense bonds.

The war hasn't upset the outlook for security law amendment as much as you would think. It cut the IBA people out of four days of testimony in December. But hearings are slated to be resumed Jan. 13. IBA has said most of its say, and the issues involving the stock exchanges are simpler and will take less complicated telling. So the outlook is still about the same—through the House in February, through the Senate in March.

But there's many a slip, these days. . . .

"Real" story of the IBA convention—? Eicher invited merely to attend. Grapevine request he be allowed to speak. "What could the IBA do?" And under the circumstances, what could Eicher do but make a friendly talk? How, then, to get off the blast? Why, by a separate release to the press. Hence, the "calamity-howler" or "belly-acher" charges. For which the convention made a splendid sounding board, due to the battery of press representatives present, sending out 10,000-12,000 words a day and hungry for something to send besides speeches favoring "free enterprise."

Did you notice that the "New York Times" and "New York Herald Tribune" have left out the Monday morning weekly summary of stock prices? These quotation tables are an exceedingly expensive proposition to compile and set in type. (The most comprehensive tabulation of stock and bond price ranges to be found anywhere is given in the Tuesday issue of the "Financial Chronicle.") And have you noticed how the business news in the "Times" and "Herald Tribune" is creeping over onto the financial pages? (We hate to bring this up, of course.)

"Money in circulation" figures are phenomenal. They have just topped $11,000,000,000. That's over twice the normal level of the 'twenties. Everywhere else it's the same—in Britain, Germany, France, Japan. But not all that money is **in** circulation. The Reserve Board estimated in September that out of the first $3,000,000,000 increase up to that time since the war started, about nine-tenths was in denominations of $50 and up. Up to last summer Axis agents' devious wiles were one explanation, but the increase still keeps up. The Fed asks a lot of questions now when people want bills of big denomination, but people don't give the real answers.

Miscellaneous. . . . Remember those 60 cargo ships the British ordered last December-January of the Todd shipyard people: The first two were "launched" Saturday. We say "launched" in quotes because they were built in graving docks and the "launching" consisted of letting the water into the docks. . . . First "war casualty" among commercial air programs, Lipton Tea's Helen Hayes show. Tea is short. . . . But many sponsors are staying on the air anyway, though they've little to sell. They don't want the public to have forgotten them after the war. . . . Mutual has a war-clause that a commercial sponsor can be excused from his contract if by reason of the war he has nothing to advertise to the public. . . .

UTILITY PREFERREDS
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(Special to The Financial Chronicle)
BOSTON, MASS. — **Anna A. Glendon** has been added to the staff of **A. G. Walsh & Son,** 84 State Street.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**Howard William Voss** has become connected with **Barcus, Kindred & Co.,** 231 South La Salle Street.

(Special to The Financial Chronicle)
CHICAGO, ILL. — **Joseph Andrew Babbert** has become associated with **Hornblower & Weeks,** 29 South La Salle St. Mr. Babbert was formerly with F. H. Armstrong & Co. and Otis & Co.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**William Laurence Folds,** previously with Haskell, Scott & Jennings and Selected Investments Co., has become affiliated with **Paine, Webber & Co.,** 209 South La Salle Street.

(Special to The Financial Chronicle)
CHICAGO, ILL. — **Harry C. White** is now connected with **Shillinglaw, Crowder & Co., Inc.,** 120 South La Salle Street. Mr. White was formerly with John J. Seerley & Co., Perry, Spencer & Co., and Straus Securities Co.

(Special to The Financial Chronicle)
DETROIT, MICH. — **Alfred J. Rosborough,** previously with Alison & Co., is now with **A. M. Kidder & Co.,** Penobscot Building.

(Special to The Financial Chronicle)
GRAND RAPIDS, MICH. — **Ralph J. MacVean** has been added to the staff of **Harper, Wegusen & Yonkman, Inc.,** Federal Square Building.

(Special to The Financial Chronicle)
NEW ULM, MINN. — **Daniel William Griffiths** has joined the staff of **State Bond & Mortgage Co.,** 26½ North Minnesota Street.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**Norman Edgar Jackson** and **Forrest Elwood White** have become associated with **Bankamerica Company,** 650 South Spring Street.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**Edward F. Bogardus, Jr.** has been added to the staff of **Cavanaugh, Morgan & Co.,** 634 South Spring Street. Mr. Bogardus was previously with M. H. Lewis & Co.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**Lester M. DuVall,** formerly with L. Paul Steffen, has become affiliated with **Hill, Richards & Co.,** 621 South Spring Street.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF.—**John B. Bailey** is now connected with **Dean Witter & Co.,** 634 South Spring Street.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF. — **George Calvin Codd** has joined the staff of **Wyeth, Hass & Co.,** 647 South Spring Street.

(Special to The Financial Chronicle)
PITTSFIELD, MASS. — **James Dennison Colt** has become affiliated with **Reynolds & Company,** 28 North Street.

(Special to The Financial Chronicle)
ST. LOUIS, MO. — **William Richardson Humphrey** has become associated with **Edward D. Jones & Company,** Boatmen's Bank Building. Mr. Humphrey was formerly President of the Investment Research Corporation of St. Louis and in the past was President of Humphrey, Jacques & Co.

(Special to The Financial Chronicle)
ST. LOUIS, MO.—**George Norman Brinkerhoff** and **Robert A. Waddell** have become associated with **Reinholdt & Gardner,** 400 Locust Street. Both had formerly been connected with H. L. Ruppert & Co., Inc., since 1934.

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(Special to The Financial Chronicle)
SAN FRANCISCO, CALIF. — **William H. Wyckoff Bailey** is associated with **Bankamerica Co.,** 300 Montgomery Street.

(Special to The Financial Chronicle)
SAN FRANCISCO, CALIF. — **John William Merchant,** previously with Edgerton, Bourne & Company, is now affiliated with **Hammill & Company,** Russ Building.

(Special to The Financial Chronicle)
SPRINGFIELD, MASS.—**Leslie F. Bishop** and **Martin L. Coyne,** both formerly with Seybolt & Seybolt, Inc., have joined the staff of **Amott, Baker & Company, Inc.,** Third National Bank Building.

(Special to The Financial Chronicle)
SPOKANE, WASH. — **William T. Kelleher** has become affiliated with **J. Tom O'Brien Company,** Old National Bank Building. Mr. Kelleher was previously in the trading department of Edwin J. Gowanlock and prior thereto was manager of the bond department of Chester Harvey.

H. Hentz Co. Opens New Branch in Mexico City

H. Hentz & Co., 60 Beaver Street, New York City, members of the New York Stock Exchange and other principal exchanges, announce the opening of a branch office in Mexico, D. F., Mexico, on Dec. 22 at Venustiano Carranza 42. Operations of the office will be under the supervision of Walter C. Gibson, Jr., formerly manager of the firm's European offices. While H. Hentz & Co. have had branch offices in many foreign cities, this will be their first venture in Mexico, D. F. The new office is understood to be the only branch of a New York Stock Exchange firm in the Mexican capital at the present time.

Lucey, Stetson Are Asst. Mgrs. of Brown Bros.

The partners of Brown Bros. Harriman & Co., private bankers, announce the appointment of Joseph C. Lucey and Eugene W. Stetson, Jr., as Assistant Managers.

Tomorrow's Markets Walter Whyte Says

The market has been acting a little better; not the averages but a number of individual stocks, particularly those which have been doing most poorly; market generally is in a buying rather than a selling position; see below.

By WALTER WHYTE

In the last few days the market has been acting a little better. Not so much as a unit, for the averages are still trying to make new lows daily. Underneath the obvious weakness of the general market, however, stocks here and there are once again beginning to make noises like they are capable of sitting up and take nourishment.

* * *

In the last two or three weeks the market has been called upon to take all kinds of bad news. For, in addition to tax selling, which this year was the heaviest in generations, it also had to take the Jap attack on the chin followed by a declaration of war against the Axis Powers.

* * *

That these factors made prices go plummeting down was not surprising. What was surprising is that they didn't go down more.

* * *

That tax selling was due, was expected and, if it's any solace to you, our change-over into an intensive stage of war economy will make such selling still larger next year; but it was the Jap attack and the subsequent developments that caught me, and other people, unaware.

* * *

It's all well and good to call the Japs a lot of dirtv yellow so-and-so's and label the Pearl Harbor raid as dastardly. The fact remains that war is not a pink tea. Still it served one purpose. It yanked us out of our smugness.

* * *

Now the market's big worry is not what has happened but what is likely to happen. Corporate reports, big earnings, increased dividends and all the rest of the bull market paraphernalia so popular in the days gone by don't mean a thing today. It all depends

(Continued on Page 1652)

Max Sternberg Will Be Ralph Samuel Partner

Max Sternberg will become a partner in Ralph E. Samuel & Co., 115 Broadway, New York City, members of the New York Stock Exchange, on Jan. 1. Mr. Sternberg was previously a partner in Richard K. Kaufmann & Co.

Guaranteed Railroad Stocks

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Triumph Explosives Sales Indicate Rapid Expansion

Comparative sales and profits figures of Triumph Explosives, Inc., indicate the rapid expansion of the Company's business. Increased plant capacity will add to production shortly, which should steadily increase the monthly shipments of the company, according to Duryea & Company, 65 Broadway, New York City, members of the New York Stock Exchange.

Comparative figures for the fiscal year ended July 31, 1941 and for the four months ended Nov. 30, 1941, as compiled by Duryea & Company follow:

	Fisc. yr. end. July 31, '41 $	4 mos. ended Nov. 30, '41 $
Net sales	3,081,443.35	*2,048,958.31
Net profits, incl. divs. received & before prov. for income taxes	342,239.99	*393,938 02

*The above figures for the four months ending Nov. 30, 1941, are unaudited and uncertified and not based on physical inventory, therefore, profit figure is estimated.

Duryea & Company also calls attention to the fact that the Stock Purchase Warrants, Series of 1938, of Triumph Explosives, Inc. expired on Dec. 15, 1941, and that any such warrants not exercised by that date have become forfeit as no extension was made. All of the options outstanding by the Company have been exercised. There remain, therefore, only the stock Purchase Warrants, Series of 1939, exercisable until Nov. 9, 1943 at $5.25 per share, still outstanding.

N. Y. Stock Exchange Weekly Firm Changes

The New York Stock Exchange announces the following weekly firm changes:

H. Alexander Montgomery will act as alternate for Moorhead C. Kennedy, Jr., Montgomery, Scott & Co., New York City, under Section 15, Article IX.

Transfer of the Exchange membership of John Whitney, a partner in Thomson & McKinnon, New York City, to Richard F, Teichgraeber, a partner in the same firm, will be considered on Dec. 30.

Maximilian Knoll will retire from Hecker & Company, Philadelphia on Dec. 31.

Hoge & Co., New York City, dissolved partnership as of Dec. 18.

D. M. Minton & Co., New York City, will be dissolved as of Dec. 31.

The transfer of the Exchange membership of Clarence R. Hayes to John M. Young, partner in Morgan Stanley & Co., New York City, which will become a member firm, will be considered on Jan. 8, 1942.

Curb Seat Retirement

It was announced on Dec. 18 that arrangements have been made by the New York Curb Exchange to purchase the membership of Alexander M. White, Jr. at $1,000 for retirement. This will be the 20th seat to be retired under the plan adopted by the membership on July 20. Present market for Curb Exchange memberships is $1,000 bid by the Exchange, offered at $2,500.

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RAILROAD SECURITIES

The pressure of tax selling is nearing its final stages and rail bond men are beginning to look forward to the probability of a sharp rebound in the second grade list after the turn of the year. This type of bond has absorbed a particularly heavy volume of selling in recent months and it is felt that even aside from any question of fundamental value, the technical position is stronger than it has been in years. Therefore, it is argued, purchasers of second grade rails at, or close to, their December lows are apt to see even more gratifying results than were reaped last year. Moreover, the financial and earnings background of these bonds is more conducive to confidence now than it was at the end of 1940.

The accompanying table, tracing the broad market action of a number of representative second grade rail liens, is interesting. All of the bonds listed scored substantial advances from the tax-selling lows of December, 1940, to the first quarter highs, with the gains ranging from 12% to 38%. With the exception of Southern Pacific 4½s, these first quarter highs were identical with, or within a couple of points of, the year's peak. In contrast, the general stock market, as measured by the Dow-Jones industrial average, recovered only 4% from the December, 1940, low to the first quarter, 1941, high established on January 10, and which was also the year's top. The Dow-Jones railroad stock average advanced 10% from the December, 1940, low to the first quarter 1941 high.

Most of the bonds covered have recently declined to approximately the same price range as they were a year ago. Only the Coast Line 4½s and the Southern Pacific 4½s have retained any material part of their earlier advance, while the Central 4½s and Pere Marquette 4½s are substantially lower than during the 1940 tax selling period.

	(1) Dec. 1940 Low	(2) 1st Qtr. 1941 High	(3) Advance (1) to (2) Points	(4) Advance (1) to (2) %	(5) 1941 High	(6) Advance 1st Qtr. High to Yr's High (2) to (5)	(7) Recent Market	(8) Price Change (1) to (7)
Coast Line 4½s, 1964	52⅞	67	14⅛	27	69	2	60½	+ 7⅝
Illinois Central Jt. 5s, 1963	38⅛	48⅞	10¾	28	51	1⅛	40¼	+ 7⅝
Morris & Essex 5s, 1955	33¼	41⅝	8	24	44	2¾	34¼	+ 1
N. Y. Central 4½s, 2013	56⅝	63⅞	7¼	13	63⅞	Nil	42	—14⅝
Nickel Plate 4½s, 1978	57⅛	64	6⅞	12	65	1	59½	+ 2⅜
Northern Pacific 6s, 2047	60	69¾	9¾	16	70	¼	56	— 4
Pere Marquette 4½s, 1980	64½	74	9½	15	74	Nil	58½	— 6
Southern Pacific 4½s, 1969	35¾	49½	13¾	38	55¾	6¼	44¼	+ 8½
Southern Ry. 4s, 1956	55	63⅞	8⅞	16	65¾	7⅞	57	+ 2
Texas & Pacific 5s, 1980	60½	73½	13	21	74⅞	1⅜	60	— ½

There are valid reasons why these bonds should all be selling at better levels than they were a year ago, and it is hoped that some of them may become effective market factors once the seasonal pressure is lifted. Carriers, collectively and individually, have made rapid strides towards financial rehabilitation in the intervening months and further progress is indicated for the coming year. Cash balances have been bolstered and debt reduced. Also, physical plants have been improved by heavy maintenance work and a large amount of new equipment installed, presaging greater operating efficiency and a consequent release of a larger proportion of operating revenues for debt reduction. Whether or not net earnings in 1942 hold to the levels established this year, the earnings prospects are certainly brighter than the prospects were a year ago. Finally, it is believed that the carriers stand an excellent chance of getting broad freight rate increases fairly early in 1942. This would give an additional fillip to any speculative interest that does develop.

There are a number of external developments that may well add to the speculative appeal of, and interest in, this second grade rail bond list. In the first place, as the war effort progresses the question of corporation income taxes becomes more acute. People holding regular dividend paying stocks for income are getting apprehensive that the cost of the war may necessitate curtailment of dividends even though volume of business continues to increase. This possibility is not a factor in the rail bonds as the interest is deductible before arriving at taxable income. There may well be fairly heavy switching from industrial stocks to low priced bonds on this basis. Secondly, many quarters expect a shifting of stress in railroad speculation away from defaulted bonds, which have long held the limelight, because of nullification of reorganization plans by the recent adverse court decisions.

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Bank and Insurance Stocks

This Week — Insurance Stocks

The market performance of fire and casualty insurance stocks since entry of the United States into World War II has fully justified their support by dealers and investors as conservative issues affording a good hedge against the uncertainties of wartime.

A daily index of 20 insurance stocks has declined 3⅜ points, or 6%, in the approximately two weeks since Dec. 6. This compares with 8⅜-point drop (7%) in the Dow Jones Industrials and decline of 6½ points (16%) for bank stocks. This initial test of market pressure has found the insurance stocks performing favorably.

There are various good reasons why insurance stocks should rank high as wartime hedges. Among these may be listed the following:

(1) Wartime increases both the need for, and volume of, insurance.

In order to remain adequately covered during a period of rising prices, property owners must constantly check their insurance. Increased volume of production, higher and costlier inventories, heavier flow of shipments, increases in plant space, capital goods and productive capacity, Defense construction projects, rising payrolls, increased exposure to hazards and risks of loss all indicate a good *volume* outlook for insurance companies during wartime.

This volume outlook is confirmed by the experience of World War I. Fire companies' premium volume grew from $307,000,000 in 1914 to $500,000,000 in 1919 and $618,000,000 in 1920. Casualty companies' earned premiums jumped from $151,000,000 in 1914 to $300,000,000 in 1918 and $318,000,000 in 1919. These gains in volume were retained and added to in the subsequent post-war period.

(2) Rates are based on loss experience and are free from artificial control.

Regulation of insurance companies recognizes that the best way to assure safety of the companies is to have a reasonable rate structure that allows profitable operation. Underwriting earnings are all "ploughed back," as dividends are limited to within investment income. Thus, underwriting profits are the chief source of internal growth of the policyholders' surplus, which increases the safety factor for policyholders.

Illustrating the reasonableness of rates, the average rate of fire premiums was only $0.67 for 1940 and 1939, compared to $0.95 in 1927 and $1.05 in 1921. During World War I, rates rose slightly, from $1.03 in 1914 to $1.06 in 1918 and $1.08 in 1919. Casualty companies, too, have granted rate reductions in recent years, despite their all-too-recent experience with inadequate rates during the depression. For 1940, fire companies made only 2.3% underwriting profit, while casualty companies made the more reasonable return of 5.8% on earned premiums.

In view of the reasonableness of rates, the inevitable uptrend in losses during wartime, and the importance of underwriting profits in building up policyholders' safety factor, it is apparent that there is neither necessity nor justification for any Federal regulation of insurance rates. This is entirely apart from the fact that such Federal control of rates would encroach upon and impair State authority in rate regulation.

(3) Freedom from Government competition.

Private operation is essential for any soundly run system of insurance based on objective, actuarial principles, free from political control. However, in wartime it is obvious that certain forms of coverage, such as war risk and bombardment insurance and protection against loss caused by enemy attacks, become impracticable to write on an actuarial basis. "Insurance" against such damage, as N. Y. State Superintendent Pink points out, is too dangerous for private firms to handle; it is not really insurance, because there is no way of determining the potential loss.

Consequently, formation of the War Insurance Corporation by the RFC, with $100,000,000 capital, to write Government war risk insurance, is a proper Government function, and does not mean that the Government is competing with insurance companies. In fact, insurance companies will probably play an important role in such insurance by acting as servicing agents, as is done in England for similar Government war damage insurance.

(4) Cash nature of the business

In many lines of business in wartime, the necessity of employing all available working capital in production and inventories and paying higher payrolls and taxes means low cash available for dividends to stockholders despite good earnings.

Insurance companies have a constant flow of incoming cash derived from premium volume, and the entire cash income from investments is available for stockholders' dividends.

(5) High degree of exemption from taxes.

Insurance companies, like other corporations, are subject to both normal taxes and surtaxes. However, as institutional investors, they are entitled to credit for income from corporate dividends, such credit being up to 85% of net income, on both normal tax and surtax. On excess profits tax, most companies use the average earnings method, which affords them high exemption base.

(6) High growth factor.

Since dividends are limited to investment income alone and all other earnings are "ploughed back," insurance stocks have a high rate of growth. For example, 20 fire stocks currently pay out 62% of 1940 operating earnings, while 16 casualty stocks pay out only 34% of earnings.

(7) Hedge against wartime inflation.

Insurance company liabilities are stated in *current* dollars, not dollars of a fixed purchasing power. On the other hand, insurance volume increases in inflation and rates if necessary may be raised by State authority to cover higher losses. Investment income is increased by accumulation of volume and "ploughed back" earnings, thus making possible higher dividends to stockholders as offset to increased cost of living.

Central-Penn National Bank
Corn Exchange Nat'l Bk. & Tr. Co.
Fidelity-Phila. Trust Co.
Penna. Co. for Ins. on Lives etc.
Philadelphia National Bank
Provident Trust Co.
Phila. Transportation Co.
3-6s, 2039 & Pfd.
H. N. NASH & CO.
1421 Chestnut Street, Philadelphia
Phila. Phone Locust 1477
New York Phone HAnover 2-2280
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Established 1899
Members New York Stock Exchange
BALTIMORE
Telephone—Plaza 9260
Teletype—BA 288
NEW YORK
WHitehall 3-9630
NY 1-563

Precautions To Protect Securities In Air Raids

The Association of Stock Exchange Firms distributed to its members on Dec. 19 a list of precautions to be taken to avoid loss or destruction of securities due to air raids or other acts of war. The Association urged that all partner and department managers of Stock Exchange firms familiarize themselves with the suggestions, which concern securities on premises and deliveries by messengers. It is pointed out that the brokers blanket bond contains a war risk exclusion clause, and it is vital, therefore, that the rules be observed to reduce exposure. The Association is at present working with the insurance industry in an effort to evolve a form of indemnity bond covering the duplication of securities destroyed by bombing or other act of war, and it is expected that such a bond will be available within the near future.

Wm. Smith With Warner

(Special to The Financial Chronicle)

PITTSFIELD, MASS.—William P. Smith, for many years local manager for Goodbody & Co., has become associated with J. Arthur Warner & Company, 156 William Street.

Our Reporter's Report

(Continued from First Page)

market and company plans is regarded as most likely temporary particularly if production for the prosecution of the war against the Axis is to be pushed to the full.

Bankers are confident, accordingly, that turn of the year will see the market righting itself and the issuance of new securities resumed. They point out that in view of the conditions which prevailed in the past fortnight the behavior of the market must be regarded as encouraging for the future.

The major industrial groupings, measured by the Dow-Jones averages, have moved about 2 to 2½ points lower. Top utilities for example closed on Dec. 6 at 110.39 and are currently moving around 108.

Best industrials finished the day, prior to the Pearl Harbor treachery, at 107.85 and currently are around 105.75 while best rails are now around the 90 level compared with 92.59 on Dec. 6.

Union Oil Financing

Union Oil Company of California is reported dickering with its bankers for flotation of an issue of some $15,000,000 of long-term debentures to finance new construction which it has in contemplation.

But there is little or no expectation that this piece of business will go through until the early part of January, since little more than a week remains of the current year.

The company is understood to be seeking the loan with a 3% coupon. Its funded debt at the end of 1940 stood at $37,900,000, including $7,900,000 of non-callable 6s due May 1, next year.

The 6s, incidentally, have been selling, when available, to afford the purchaser a return of 2% at times recently. But the catch is that few of the bonds have been found available.

Feeling the Effects

The effect of the war situation in the Pacific has naturally made itself felt in greatest degree among securities of corporations operating on the West Coast.

In that respect the 30-year 3s of the Pacific Gas & Electric Company, brought out just about a year ago are a case in point. That issue dipped under par, this week, for the first time since issuance.

On relatively light offerings, the bonds slipped down to 99¾ or thereabouts, after having sold as high as 106⅜ earlier in the year.

Tax-Selling Over Soon

Close followers of the investment market are satisfied that selling to register losses for tax purposes has been a real influence for lower prices over the last few weeks.

They contend that such selling has been in more substantial volume this year than for some time passed due to the fact that the market generally is somewhat off from its peak levels.

Accordingly, there is a disposition to look for seasoned high-grade issues to do somewhat better in the closing days of the year since selling of this type should about have run its course now.

Bank Loans for Bonds

The Continental Oil Company moved to lift a substantial block of securities out of the market when it announced the call for redemption on Feb. 4 next of its outstanding $21,071,600 of 10-year 2¾% convertible debentures.

It had been announced several weeks ago, following a board meeting, that the company intended to call at least $11,000,000 of the total.

Funds for payment of the issue will be provided by use of bank loans in the amount of $10,000,000, with the balance to come from cash resources.

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Head Office Cairo
Commercial Register No. 1 Cairo
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RESERVE FUND £3,000,000
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EGYPT and the SUDAN

NATIONAL BANK of INDIA, LIMITED
Bankers to the Government in Kenya Colony and Uganda
Head Office: 26, Bishopsgate, London, E. C.
Branches in India, Burma, Ceylon, Kenya Colony and Aden and Zanzibar
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Paid-Up Capital £2,000,000
Reserve Fund £2,200,000
The Bank conducts every description of banking and exchange business
Trusteeships and Executorships also undertaken

Royal Bank of Scotland
Incorporated by Royal Charter 1727
Over 200 Years of Commercial Banking
HEAD OFFICE—Edinburgh
General Manager
William Whyte
Total number of offices, 258
CHIEF FOREIGN DEPARTMENT
3 Bishopsgate, London, England
Capital (fully paid) ______ £3,780,192
Reserve fund __________ £4,125,965
Deposits ______________ £69,921,933
Associated Bank
Williams Deacon's Bank, Ltd.

Australia and New Zealand
BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)
Paid-Up Capital ________ £8,780,000
Reserve Fund __________ 6,150,000
Reserve Liability of Prop. 8,780,000
£23,710,000
Aggregate Assets 30th Sept., 1940 ________ £143,903,000
SIR ALFRED DAVIDSON, K.B.E., General Manager
Head Office: George Street, SYDNEY
The Bank of New South Wales is the oldest and largest bank in Australasia. With over 870 branches in all States of Australia, in New Zealand, Fiji, Papua and New Guinea, and London, it offers the most complete and efficient banking service to investors, traders and travellers interested in these countries.
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To Be King & Conrads

ROCKFORD, ILL.—Coincident with the admission to partnership of Paul E. Conrads, the firm name of Joseph D. King Company, members of the Chicago Board of Trade, 317 West State Street, will be changed to King & Conrads, as of Jan. 2, 1942. Mr. Conrads has been associated with the firm for some time as manager of the Unlisted Department.

Over-The-Counter Dealer Must Unite

(Continued from Page 1642)

which enjoy good markets today will have no markets at all, and the public will suffer and suffer plenty.—*J. B. Reimer (Louisville), Berwyn T. Moore & Company, Inc.*

We note the leading article in your issue of Thursday, December 18th, in regard to narrowing of the spread on over-the-counter stocks, especially in connection with insurance stocks, and we want to add our voice of protest to this action.

Apparently many people in the business do not appreciate that most dealers like ourselves cannot operate on eighths and quarters. We are not like the large trading houses where orders come in to us. We have to go out and dig up the orders. This takes time and money, the employment of salesmen, the paying of commissions to them, the maintaining of statistical data and considerable additional overhead.

Based on spreads as they are now quoted it is practically impossible to sell many stocks and make a profit that will pay overhead, salesmen's commissions and leave anything for the firm. We feel strongly that the spreads as heretofore quoted were reasonable and approximately the same spreads should be retained as against the closer spreads now being quoted.—*Anonymous (Indianapolis).*

We are writing to express appreciation of and hearty agreement with the subject matter of your article in your issue of December 18 entitled, "Over-The-Counter Dealers Must Unite."

Your article deals with the threat to the existence of the over-the-counter dealer which is implied in the recently narrowed spreads in the published quotations in various over-the-counter stocks. There is no business in the world in which there are not two sets of prices, wholesale and retail, or in other words one set of prices to prevail between dealer and dealer and another between the dealer and the general public. On any other basis it is obvious that a host of dealers must be forced out of business and in our opinion that is exactly what will happen to many firms like ourselves if the newspaper quotations on our stock in trade, namely the over-the-counter securities, are to be so narrowed as to make the obtaining of a fair profit almost an impossibility. The quotations as they are now being printed do just that.

We also want to register our protest along with yours against the general principle of any governmental setting of such prices. We have no quarrel with proper supervision of the general activties of our business, but we do not believe that it is any proper function of the government to step inside that business and to dictate to the dealer the terms upon which he shall buy and sell. Competition will effectively take care of that matter for any dealer and we believe the government should concern itself merely with such supervision, in this or any other business, as is necessary to make sure that the business is being honorably conducted in accordance with the statutes.—*Anonymous (Bridgeport).*

In regard to your article on the first page of the December 18th issue of the Commercial & Financial Chronicle regarding newspaper quotations of unlisted bonds:

My comment on this situation is this—In the first place why should unlisted dealers give out wholesale quotations? Do the wholesale dealers in carpets, wallpaper or watches hand out their quotations to the general public? They might quote such articles in their strictly trade papers, but I have never seen wholesale prices of furniture, clothing, etc., in the daily newspapers. The newspapers have but one source for unlisted quotations and that source is the dealers themselves. Why do not dealers in the larger metropolitan areas make up a quotation committee to hand out "retail quotations" to the newspapers?

It is quite all right for newspapers to quote the high, low and last of an auction market (that's all a listed market is) because you have actual sales and the closing bid and asked is presumably a firm market both ways. Since the unlisted market is nearly always a "subject" market I do not think the newspapers are exactly truthful unless they have been given firm quotations by the unlisted dealers themselves.—*Herman J. de Ford (Chicago), H. J. de Ford & Co.*

Your article in this morning's "Chronicle" headed "Over-the-Counter Dealers Must Unite" forcefully expresses a frequent and serious cause for complaint.

My business is over-the-counter. I deal with regular customers. I give them all sorts of advice, often dealing in listed stocks on which there is no commission; look after their tax sales much of which is without any compensation; send them reports on their securities, etc. I cannot charge for my services as a lawyer would and must have a fair commission on over-the-counter dealings if I am to stay in business.

My customers expect to buy at the asked price. Some of my very best customers expect to get between the bid and the asked, and I have often felt obliged to cut a fraction from the asked quotation leaving a margin that does not pay. This to avoid a suspicion of over-charging. I have actually lost good customers by selling at a little higher than the quoted price. Only yesterday I had such a complaint.

What is the result of this situation?—I am obliged to avoid as far as possible securities with published quotations.

It is hardly necessary to be specific but this morning I note that the asked price of Brown & Sharpe is quoted as $136. It will cost our trading department $135 to buy. I can get 37½c if I sell this stock, so I do not sell it. On Chase Bank I can get for myself 22½c a share if I do not shade the asked quotation.

The wide publicity you are giving this situation is most welcome and I trust may be effective. This sentence is particularly noted—"We do not believe that, directly or indirectly, any agency of the Federal Government or any association within or without the securities business should have the right to establish the margin of profit any Dealer should be allowed to make on any security transaction." I would be interested to know what association, other than governmental bodies, *within the securities business* may also be exercising its influence.—*Anonymous (New York City).*

As if we didn't already have troubles enough in the security business, an agency of the Federal Government is now forcing us to advertise our merchandise in the daily papers all over the country at prices for which we cannot possibly sell our goods and stay in business.

(Continued on Page 1655)

President Accepts Ban On Strikes

(Continued from Page 1641)

handle these disputes.

I accept without reservation your covenants that there shall be no strikes or lockouts and all disputes shall be settled by peaceful means. I shall proceed at once to act on your third point.

Government must act in general. The three points agreed upon cover of necessity all disputes that may arise between labor and management.

The particular disputes must be left to the consideration of those who can study the particular differences and who are thereby prepared by knowledge to pass judgment in the particular case. I have full faith that no group in our national life will take undue advantage while we are faced by common enemies.

I congratulate you—I thank you, and our people will join me in appreciation of your great contribution.

Your achievement is a response to a common desire of all men of good-will that strikes and lockouts cease and that disputes be settled by peaceful means.

May I now wish you all a Merry Christmas.

Very sincerely yours,
Franklin D. Roosevelt.

The conferees assembled at the White House on Dec. 17 with instructions from President Roosevelt that an agreement for avoiding work stoppages be reached by Dec. 19. However, no accord was approved by that date and the group recessed until Dec. 22, when, after another full day of discussion they again failed to agree on a formula. The points at variance were then referred to the President resulting in the agreement on three general points.

In his informal talk to the representatives on Dec. 17, before the negotiations were brought under way, the President called for a speedy unanimous agreement explaining that "speed now is of the essence, just as much in turning out things as it is among the fighting forces." Warning that the production program must be increased greatly, Mr. Roosevelt said that the primary thing is "to keep the work going." He further said that the additional millions of new workers in defense in 1942 have to be protected at the same time, adding that "we can't have stoppages." The President, in his extemporaneous remarks, also stated:

> I want to see what we can do. We have only been in this war for a week and a half. It is serious, at the present time. We are not sitting on "Easy Street."
>
> I hope very much, in fact I am very confident, you will realize the spiritual side of this war emergency. We want our type of civilization to go on. It is threatened. We want our freedoms. We want freedom to express our own opinions. We want freedom of religion and the others as well. They are threatened.
>
> I think very much the country is looking to you gentlemen to give us, just as fast as you possibly can—by tomorrow or the next day—some kind of an agreement so that we all can shake hands. After this war is won, let's go back if we want to, if we have to, to old Kilkenny. And you know what a Kilkenny fight is. But that is something that we can put aside until that date comes.
>
> The country is looking to you. I am looking at you. The Congress is looking at you. All I can say, is God speed your efforts.

AFFILIATED FUND
INC.
Prospectus on request
LORD, ABBETT & CO.
INCORPORATED
63 Wall Street, New York

Investment Trusts

Investors who want to buy Defense Bonds but can't afford to give up investment income are furnishing investment men with plain and fancy headaches. One way of meeting the problem is through the proper use of investment trust investments. This method has been suggested by The Keystone Corporation of Boston, sponsors of Keystone Custodian Funds.

Suppose, for example, an investor has $50,000 and wants to buy Defense Bonds. With $37,000 he can buy Series F Defense Bonds with a maturity value of $50,000 in 12 years. The remaining $13,000 can be invested in investment trust stocks to return whatever amount of income (up to about 2% on the whole $50,000) that the investor feels he must obtain. Investment trust stocks are peculiarly adapted to such a program for, while the income return is generally fairly steady, they form an excellent hedge against any general inflationary development.

For the investor who is more interested in immediate income than in inflation hedges the investment trust bond funds will prove an excellent place for the funds not placed in Defense Bonds. The bond funds, through diversified investment are able to return an income that is far less hazardous than would be a like amount of income derived from a few individual securities. Individual bonds returning yields of from say 5% to 8% at today's prices are generally considered somewhat hazardous. But by spreading their postfolios over fifty or more such bonds, the bond funds are able to obtain a high degree of stability and at the same time offer high yields to investors.

For those who wish a greater inflation hedge the common stock and "balanced" portfolio funds offer varying income returns and varying degrees of inflation hedge. Through the principle of diversification they too are enabled to furnish a high degree of safety as regards income with quite satisfactory returns. Diversification also assures participation in rising markets. True, some individual stocks will experience much greater appreciation, but the trusts on the whole will out-perform about two-thirds of the listed stocks. In other words, the chances of an individual stock doing as well as the average trust are only one in three.

"It is difficult to make more than general comments on investment policy so soon after the declaration of war. However it seems clear that yearly expenditures for armaments will be greatly increased over even the amounts forecast before the outbreak of war. The $150,000,000,000 'victory program' that has been in the discussion stages for several months now looms as a reality. The realization of this program will call for tremendous expansion of the nation's productive capacity as well as most serious curtailment of many consumers' goods. There will be greatly increased government control over the allocation of materials and over prices and production but the methods that will be used to obtain the highest possible production of armaments cannot be foretold. Taxes and costs will unquestionably be higher and corporation earnings will undoubtedly be adversely affected. Psychological or sentimental factors will have increasingly important influences on prices of securities and values can be expected to fluctuate widely. Under such circumstances investors will require more than ever investment management and diversification such as may be obtained in shares of Broad Street Investing Corporation." . . . "The Broad Street Letter."

FUNDAMENTAL INVESTORS, INC.
PROSPECTUS ON REQUEST
HUGH W. LONG and COMPANY
INCORPORATED
15 EXCHANGE PLACE
JERSEY CITY
634 SO. SPRING ST.
LOS ANGELES

The Board of Directors of Broad Street Investing Corporation has declared a quarterly cash distribution of 47 cents a share, payable Dec. 24, 1941, to stockholders of record at the close on Dec. 16, 1941. Total declarations for the year aggregate $1.22 a share, which amount is expected to be substantially equal to net income from dividends and interest for the period, and compares with $1.12 a share declared for the preceding year, an increase of 9%. Based on the average of 1941 month-end liquidating values for shares of Broad Street Investing Corporation, disbursements of $1.22 a share are equivalent to a dividend yield of 6%.

The Directors of Chemical Fund, Inc. have declared a dividend of 15 cents per share, pay-

(Continued on Page 1650)

MANHATTAN BOND FUND
INC.
PROSPECTUS ON REQUEST
Wholesale Distributors
HUGH W. LONG and COMPANY
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Municipal News & Notes

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Bell Teletype—NO 180

Although the Federal debt increased $6,008,000,000 in the fiscal year ended June 30, 1941, State and local governments managed to cut outstanding debt by $42,000,000, reversing the upward trend of recent years, the Department of Commerce disclosed this week in a comprehensive analysis.

The State and local debt totaled $20,183,000,000 as of June 30, 1941, while the Federal debt was $48,979,000,000, indicating a combined Federal, State and local debt of $69,162,000,000, an all-time high. Since June 30, 1941, the Federal debt has grown to more than $57,000,000,000.

From 1912 to 1941 the State and local debt rose from $4,498,000,000 to $20,183,000,000, while in the same period the Federal debt increased from $1,194,000,000 to $48,979,000,000. In 1912 the local and State debt represented 79% of all of the outstanding debt in the United States. However, the sharp rise in Federal indebtedness has cut this margin down to 29.2%.

The Commerce Department points out that Federal defense spending and national defense requirements have affected State and local government debt behavior in several ways. For example, expansion of the national economy has resulted in substantially heavier tax collections and in reduced relief loads.

The general downward trend was counterbalanced by two factors: A rise of $216,000,000 in outstanding obligations of local housing authorities, and flotation of large bond issues by a limited number of cities to finance public service enterprises. A $93,000,000 increase in New York City's debt for improvement of water supply and rapid-transit facilities overshadowed moderate debt decreases reported by a large number of municipalities.

Despite the slight change in total State and local government debt in the fiscal year 1941, a significant movement occurred among the various types of governmental units. Outstanding obligations of special districts, including special authorities, mounted at the rate of 8% to a new high of $2,770,000,000.

State and local debt is expected to show a greater decrease in the 1942 fiscal year. Operation of priorities in the building and improvement projects is expected to affect their debt position.

President Gets Pledge Of State And Local Government

President Roosevelt revealed at last Friday's press conference that he had received a pledge of full cooperation from a committee of the Governor's Conference and the Council of State Governments. The pledge emphasized the need for consistent fiscal action by State and local governments to combat inflation and expedite the defense program.

The statement by the Governors to the President set forth six major proposals pertaining to the activities of State and local governments during the current crisis, as follows:

1. Priority for activities of State government which would best promote national defense.
2. Postponement of non-defense public works.
3. Maintenance of present public facilities, cooperative buying and general improvement of administrative efforts.
4. Preparation of plans for useful post-war public works to serve as an economic cushion.
5. **Retirement of State and local government indebtedness and the accumulation of cash reserves to finance post-war public projects.**
6. Safeguarding of services rendered by State and local governments and the preservation of the institutions of a free democracy.

Defense Needs Cut Municipal Financing

The trend toward a smaller volume of new municipal financing is accentuated by the new war developments, it is generally agreed by tax-exempt specialists. Already hindered in planning for new projects by shortages of materials, municipalities are expected to encounter even more serious difficulties as a result of the nation's active participation in the war.

At the same time, it is believed that taxpayers will be increasingly likely to take the position that national defense must come first and local activities be reduced to a minimum. This tendency has been evident during the defense program period, as was illustrated in the last two months by voters in a number of instances turning down proposals for new public projects or otherwise increasing municipal outlays.

Refunding operations are expected to continue in relatively normal fashion. The bulk of curtailment in financing should be news in issues related to the construction of new projects such as buildings, sewers and water plants.

SEC Seen Seeking Municipal Bond Curbs

The SEC is considering asking for power over trading in municipal securities and perhaps over municipal financing, according to reports circulated last week among municipal bond dealers. Powers over financing, it was said, would be sought if law were passed permitting the Federal Government to tax interest on new municipal bonds.

Reports among dealers were that the Commission is seeking powers over the municipal bond market similar to those exercised over trading in corporate issues. Increased power over the counter market has already been sought.

When the 1933 Securities Act was enacted, it was noted, it was taken for granted that the Federal Government had no powers over the financing of the States or creatures of the States. Accordingly, the market for municipal bonds is not covered.

1941 Realty Taxes Changed Little

FLORIDA

FLORIDA
MUNICIPAL BONDS

Our long experience in handling Florida issues gives us a comprehensive background of familiarity with these municipal bonds. We will be glad to answer any inquiry regarding them at no obligation.

R. E. CRUMMER & COMPANY
INVESTMENT SECURITIES
1ST NAT BANK BLDG CHICAGO ILLINOIS

The annual report of the National Municipal League, based on a survey by Rosina K. Mohaupt of the Detroit Bureau of Governmental Research, was made public last week, showing that real property tax rates and assessed values were virtually unchanged in 1941. In 263 cities the average tax rate rose only 2 cents per $1,000 from 1940, and the average assessed value only one-tenth of 1%—six-tenths of 1% for the larger cities (more than 500,000 population) and about 1% for the smaller.

For the third successive year the highest adjusted rate in the country was that of Atlantic City, N. J.—$59.80 per $1,000, 66 cents below 1940. The lowest was $8.13 for Montgomery, Ala.

It was emphasized that the reduction since 1931 in assessed values in the larger cities "adds to the already serious financial problems created by the decrease in Federal grants and the increasing costs of city government," and requires higher tax rates unless total tax revenues are to be reduced.

"But the growing burden of Federal taxation and the general unpopularity of any increase in the general property tax," Miss Mohaupt added, "make the financial situation of many of these cities uncomfortable."

Oklahoma Financial Survey Prepared

Furnishing a copy of their seventh annual survey on Oklahoma local finances, it is pointed out by R. J. Edwards, Inc., Terminal Building, Oklahoma City, that 1942 marks the 50th year they have dealt in Oklahoma municipal securities.

R. J. Edwards, Chairman of the firm, remarks as follows:

In these troubled times it is helpful to look back on the progress the State of Oklahoma has made in the past 50 years. I personally recall those first years of drought in '91 when the outlook was even darker than now. The span of this company's life began when the State was two territories under the jurisdiction of the Federal Government, when the only transportation was a buggy and team. when the only accommodations for the bond buyer was a homesteader's house, or a corner store with cheese and crackers. I and men in the company have seen this give way to statehood and transportation by rail and that give way to the development of highways and the motor car and the airplane. And in all that development we are happy to remember our part in furnishing credit. In our files we still have transcripts of bonds for frame courthouses in county seats, and transcripts of the bonds for the brick courthouse that replaced the frame, and of the cut stone and marble that replaced the brick. As we look upon the vast changes that have taken place in the past, we look with confidence and interest upon the future with even greater changes to come. And we look forward to a continued service to our clients.

Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over—short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also apsented in the booklet include poppended.

Dec. 26th

$600,000 De Soto Co., Fla.

This offering is made up of county bonds and special road and bridge district bonds. The county has not made any recent sale of its bonds.

Dec. 29th

$3,994,000 Orleans Levee District, La.

Bonds were awarded by the district last April to a syndicate headed by R. W. Pressprich & Co. of New York.

$519,000 Scranton, Pa. (Sch. Dist.)

These bonds were originally offered on Dec. 8, but all bids were rejected. This district awarded an issue last December to a group headed by Fox, Reusch & Co. of Cincinnati. Runner-up was E. H. Rollins & Sons, Inc., and associates.

Jan. 5th

$2,700,000 State of Minnesota

Last August the State awarded similar certificates to a group headed by the National City Bank of New York. The only other bidder was the Wells-Dickey Co. of Minneapolis, and associates.

Goldman, Sachs Will Admit Four Partners

Goldman, Sachs & Co., members of the New York Stock Exchange and New York Curb Exchange, on Jan. 1, 1942, will admit Miles J. Cruickshank, Alfred E. Hammill, James C. Hemphill, and Robert V. Horton to partnership in the firm. Mr. Cruickshank and Mr. Horton will make their headquarters at the firm's New York office at 30 Pine Street. Mr. Hammill, Manager of the Chicago office, 208 South La Salle Street, and Mr. Hemphill, who has been associated with him there, will continue to make their headquarters in that city.

Baker, Oakley, Warren To Be Kidder Partners

John D. Baker, Jr., Uzal Oakley, and James C. Warren will be admitted to partnership in A. M. Kidder & Co., 1 Wall Street, New York City, members of the New York Stock Exchange and other leading Exchanges, on Jan. 1. Mr. Baker and Mr. Warren have been associated with the firm since 1938. Prior thereto Mr. Baker was with Mackay & Co. and Mr. Warren was a partner in Jenks, Gwynne & Co.

Orin Newton Joining Mason, Moran & Co.

(Special to The Financial Chronicle)

CHICAGO, ILL.—Orin Newton has become associated with Mason, Moran & Co., 135 South La Salle Street. Mr Newton was previously Vice-President and Manager of the municipal department of Haskell, Scott & Jennings, Inc., with which he was connected for many years.

John Whitney Will Be Baker, Weeks Partner

John Whitney will become a partner in Baker, Weeks & Harden, 52 Wall Street, New York City, members of the New York Stock Echange and other leading Exchanges, on Jan. 1, 1942. Mr. Whitney was formerly a partner in Thomson & McKinnon, and prior thereto in Jenks, Gwynne & Co.

Drexel Will Admit Day & Lee As Partners

PHILADELPHIA, PA.—Drexel & Co., 15th & Walnut Streets, members of the New York and Philadelphia Stock Exchanges, will admit William L. Day and Robert H. Lee to partnership in the firm as of Jan. 1, 1942.

Roosevelt Confident of NYSE Cooperation

President Roosevelt has expressed confidence that members of the New York Stock Exchange "will give every measure of cooperation" in the present grave crisis. This was revealed on Dec. 20 in the December issue of "The Exchange," monthly publication of the Stock Exchange, which printed the exchange of letters between the President and Emil Schram, head of the Stock Exchange. Mr. Schram had written to the President on Dec. 11 on behalf of the Stock Exchange organization pledging its fullest "loyalty, support and cooperation." Mr. Schram's letter to the President read:

My dear Mr. President:

It is my privilege to send this message on behalf of the New York Stock Exchange, its members, its member firms and its entire staff and organization: that in your invincible leadership of our nation at this time of grave crisis you have our fullest measure of loyalty, support and cooperation.

Most respectfully yours,
EMIL SCHRAM

The President replied as follows on Dec. 13:

Dear Emil:

I am very happy to have your letter and I am confident that in this grave crisis the members of the New York Stock Exchange will give every measure of cooperation.

My best wishes to you.
Always sincerely,
FRANKLIN D. ROOSEVELT

Atwell, Once Employee, Becomes Curb Member

The Board of Governors of the New York Curb Exchange has approved the transfer of a regular membership from Ernest Iselin, Jr. to John R. Atwell.

Mr. Atwell entered the employment of the Curb Exchange as a clerk in the record room on Dec. 15, 1928 and on May 18, 1929 was transferred to the trading floor as a reporter. He continued to work for the Exchange until Dec. 14, 1940. During this time he received his bachelor's degree from Fordham University and his law degree from St. John's College in Brooklyn and was admitted to the New York bar. After leaving the Curb Exchange he became associated with Remington Rand, Inc. and now returns to the Exchange as a regular member.

L. J. Currier Is Now With Paul H. Davis & Co.

(Special to The Financial Chronicle)

ROCKFORD, ILL.—Laurence Jenks Currier has become associated with Paul H. Davis & Co., members of the New York Stock Exchange and other leading exchanges, whose main office is located at 10 South La Salle Street, Chicago, Ill. Mr. Currier was formerly Treasurer and Manager of the trading department of Jilbert & Company, Inc., and prior thereto was an officer of William H. Flentye & Co., Inc., and Ramey, Bassett & Co.

"Petroleum on Parade"

An attractive booklet entitled "Petroleum on Parade — The March of Civilization" has been compiled by Tellier & Company, 42 Broadway, New York City, members of the Eastern Oil Royalty Dealers Association. The booklet, attractively illustrated, discusses the place of oil in the world of today, shows interesting diagrams of oil wells, gives tables of crude oil production and describes what oil royalties are.

Copies may be obtained from Tellier & Company on request.

Wickard Urges Farmers To "Plant To Prosper"

In a radio address broadcast from Washington to farmers on Dec. 17 Secretary of Agriculture extended special greetings to farm families in Tennessee, Arkansas, Mississippi and Missouri, bringing to a close the annual "Plant to Prosper" contest of the Memphis "Commercial Appeal." In part he said:

> Since 1934, the farm families in this Mid-South area have had the stimulus of the annual contest sponsored by this far-seeing newspaper. Needless to say, the Extension Services, the Farm Security Administration, and other agencies of the Department of Agriculture have been happy to cooperate. The idea has spread to other regions, as other papers with wide influence have taken the lead in stimulating farmers to obtain better living from the farm, to greater diversification of farm activity, increased conservation measures, and improvements in the farm home.
>
> Such campaigns have helped individual families to prosper. This year they also have served the needs of national defense. The same general line of improved farming in 1942 will help the Nation wage its war against aggression. Not only is it Plant to Prosper from now on; it's Farm for Victory.
>
> The kind of farm production program followed by the "Plant to Prosper" contestants is a very real help to the war effort. Its first aim is to provide home-grown food and feed supplies. The farm family that grows its own vegetable and meat and egg and milk supply increases the Nation's productive capacity in several ways. First of all, such a farm family is better fed, stronger and able to work harder. Second, such a family does not call for the use of scarce tin and other containers to put up its food in city factories; it does not require the use of rail or highway transport to get part of its food supply; and it releases part of the commercial supply of these greatly needed foods for use by our own people, and the people of the nations allied with us. . . .
>
> Let me give this audience assurance that I believe the American people will see to it that farmers and all producers are rewarded fairly for their contribution toward winning the war. Reward to each according to his part in the common effort is and will be the national principle. It is the only possible principle in our democracy.

W. C. Fouch Associated With Grant-Brownell Co.

DAYTON, OHIO — Wayne C. Fouch has become associated with Grant-Brownell & Co., Winters Bank Building. Mr. Fouch for the past three years was manager of the Dayton office of BancOhio Securities Co. and prior thereto manager of the local office of McDonald-Coolidge & Co.

V. H. Brown To Be Partner

Vernon H. Brown, member of the New York Stock Exchange, will become a partner in the Exchange firm of Vernon C. Brown & Co., 71 Broadway, New York City. Mr. Brown has been engaged in business as an individual floor specialist; in the past he was a partner in Vernon C. Brown & Co.

Asiel & Co. To Admit

Joseph D. Croll and Samuel H. Rosenberg will be admitted to partnership in Asiel & Co., 11 Wall Street, New York City, members of the New York Stock Exchange, as of Dec. 31.

MASSACHUSETTS MUTUAL LIFE INSURANCE CO. WE SERVE SPRINGFIELD · MASS.

This is a true story of "Life Insurance in Action" taken from the policy-record files of the Massachusetts Mutual Life Insurance Company

Life Insurance Sees Him Through

Recently a letter was sent to a beneficiary under a Massachusetts Mutual Ordinary Life contract asking him to return the policy because the Company was about to make the final monthly payment due under the terms of the policy. The beneficiary was a young man who had recently received his M.D. degree. His father was accidentally killed some years previously and in his Massachusetts Mutual insurance policies it was provided that part of the proceeds should go for the education of his son.

Up to the time of his death the father paid $756.06 in premiums to the Company. The net proceeds amounted to $6,434.32. The settlement agreement provided that $3,000 of the proceeds should be set up as an educational fund for his son, payable in monthly installments of $110 excluding June, July, and August of each year. All of the proceeds over $3,000 were to go to the widow.

And now the insurance contract had run its course and the father's carefully laid plans had reached fruition. How proud he would have been to see his son graduate! How proud our representative must be that through his initial efforts such a story of life insurance in action can be told!

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MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

Springfield, Massachusetts

Bertrand J. Perry, President Organized 1851

Merrill Lynch To Acquire Hutton Branch In Lansing

LANSING, MICH. — As of Dec. 31, Merrill Lynch, Pierce, Fenner & Beane, will acquire the local office of W. E. Hutton & Co. E. V. Eschbach, manager of the W. E. Hutton & Co. branch, and Edwin Hayden and Scott Rutherford, who have been associated with him, will become associated with Merrill Lynch, making their headquarters at the latter firm's office at 108 West Allegan Street.

Harry D. Miller To Be Nugent, Igoe Partner

NEWARK, N. J. — Harry D. Miller, for many years associated with Nugent, Igoe & Manning, 21 Commerce Street, members of the New York Stock Exchange, and Eisele, King & Nugent, as manager of the East Orange branch, will be admitted to partnership in the firm on Jan. 1. Mr. Miller will continue to make his headquarters at the firm's East Orange office, 19 North Harrison Street.

Form DeCoppet & Berdan

Robert F. DeCoppet and John T. Berdan, both members of the New York Stock Exchange, will form DeCoppet & Berdan with offices at 71 Broadway, New York City, as of Jan. 1, 1942. Mr. DeCoppet has been in business as an individual floor broker; Mr. Berdan was a partner in Vernon C. Brown & Co. and in the past was active as an individual floor broker.

Form T. J. Beauchamp Co.

Subsequent to the dissolution of Beauchamp & Fagan and Yelin & Co., partners of the two firms have formed T. J. Beauchamp & Co., New York Stock Exchange firm, with offices at 41 Broad Street, New York City. Partners are Thomas J. Beauchamp, Benjamin Yelin, both Exchange members, Della Dee Jacobs, general partners, and Samuel Ungerleider, Jr., limited partner.

Our Reporter On "Governments"

The government bond dealers are complaining now about the fact that the market is "too stable!" . . . With the world-wide war not yet a month old, so well has the market been controlled that the worry is about lack of price fluctuation—not about too much price movement . . . Ponder that for a moment, for in this record you have proof of the tremendous control power of our Government today . . . In what has happened in the last three weeks you have a perfect indication of how effectively support can be handled . . . And you have a sign of what is ahead . . .

There's too little trading," says one dealer. "The market is so stable that there's virtually nothing going on on either side of the list." . . . "We know the 2½s and 2s are going to be held at or above par if the Treasury and the Federal Reserve can manage it and they can manage it, it seems. So there's no incentive to buy or sell them." . . . "All the activity is in the 2½s and 2s," says a third. "And that means we're caught in the control." . . .

Psychological as well as actual control is playing a part in the market's steadiness these days too, incidentally . . . With the dealers and commercial banks convinced of the working of the support, they have no convictions on large sales . . . Besides, some consider it "unpatriotic" to hammer at the Government market now (a significant point, as we mentioned last week) . . . The "gentlemen's agreement" among the commercial banks is still in operation, in addition . . .

So there's your present government bond market setup . . . It's encouraging . . . And considering the cash borrowing prospects, the chances are it will remain encouraging for some weeks to come.

Cash Borrowing

The Treasury probably can stay away from the market as far as cash financing is concerned, until February, at least . . . Another optimistic note in the present picture . . .

According to the figures, the Treasury will enter 1942 with the largest cash balance recorded in a quarter-century—approximately $3,500,000,000 . . . That's a fantastic figure . . . And when you consider the costs of the war, the day-by-day drain on the Treasury's resources, it's a particularly heartening statistic too . . .

There has been about one and one-quarter billion dollars balance for some weeks . . . A minimum figure . . . Then, on Dec. 15, Secretary Morgenthau received the $1,500,000,000 borrowed through sale of the 2½s and 2s . . . And also on that day, he received the last installment on the 1940 income taxes—maybe $600,000,000 or $700,000,000 or even more . . . And he has been getting funds daily from sales of defense bonds . . . And from sales of tax-anticipation notes . . . And he has been raising money weekly from sales of discount bills . . .

Add up the figures and you'll come to more than $3 billions. . . . Nothing approaching this balance has been shown by the Treasury in years. . . . Probably the only time a larger total was reported was immediately after the sale of the Fourth Liberty Loan. . . .

With defense bond sales skyrocketing and with indications that after the post-Christmas lull, they'll rise even faster, the odds are against a Treasury cash borrowing before February . . .

There'll be a major refunding deal in January . . . That we know, for Morgenthau has indicated this will go through unless the market is in extremely bad shape . . . And that seems highly unlikely, considering the way it has taken the news of the last month . . .

But the refunding is not important as a market factor . . . What is significant is the fact that the market is to be left alone for several weeks . . .

There's no disposition to argue with the way in which the Treasury and the Federal Reserve System have handled and are handling the government bond market and war financing . . .

Excess Reserves

Excess reserves last week hit the lowest level since Dec. 28, 1938, at $3,090,000,000 for the country as a whole and at $890,000,000 for New York City banks alone. . . . The figures, just considered as figures, may seem large—but, actually and psychologically, they're approaching a dangerously low level. . . .

However—and this a big however—the chances are that from this point on, excess reserves will start rising on their own. . . . As a result of heavy withdrawals of funds on deposit with the Reserve Banks by the Treasury. . . . And possibly as a result of some return flow of money in circulation after the turn of the year. . . . Don't count on the second factor to any extent, though. . . . The big point is the pending withdrawal of Treasury balances. . . .

That in itself would constitute a stimulating force in the Government market (Amazing, isn't it, how they're adding up?). . . . And then there still is the definite possibility of a lowering of reserve requirements by the Federal Reserve Board in the not too distant future. . . . Chances are the cut in requirements will come before the middle of 1942, if there are any signs of a shaky market. . . . If not, expect it if reserve funds appear to be approaching the level at which bond sales may be traced to tight money conditions. . . .

Last week's total represented a drop of $750,000,000 in one seven-day period. . . .

Inside The Market

Less than one-sixth of the new bonds alloted in the New York district showed up in the holdings of reporting banks, indicating that non-banking institutions were the major buyers of the 2½s and 2s. . . . Just another proof of something reported previously though. . . .

Last week's Federal Reserve statement showed an increase of $45,270,000 in the holdings of U. S. bonds by the Federal Reserve Banks. . . . The officially reported extent of the Reserve System's support of the market following the outbreak of war. . . . But this is only part of the story. . . . It is known that the Treasury bought large amounts of bonds for its investment accounts, and this support will not show up in the figures for several weeks, for the reports on the investment account holdings come out only every month. . . .

Incidentally, the Reserve System's buying of Governments in the open market helped soften the drop in excess reserves—for this is a time-honored way of easing the money situation. . . . The buying of bonds in the open market was done for another reason, of course—direct support of the 2½s and 2s—but the fact is this open market activity is another way to keep excess reserves up and to keep the banks from selling Governments and disturbing the market. . . .

Odds are against issuance of a "tap issue" by the U. S. Treasury for many, many months, despite persistent rumors that this is under consideration. . . . Tap issues are used extensively in England, of course, but the American investing public is unfamiliar with them. . . .

Tax-exempts

A considerable amount of switching from tax-exempts into taxables is taking place—presumably on the basis of fears that something will be done sooner than is expected to remove the tax-exemption privilege. . . . Perhaps a nation-wide drive will be attempted to "force" holders of tax-exempts to pay taxes "voluntarily." . . . The patriotism angle—plus the fear of being considered selfish at a time of national emergency. . . .

Or perhaps Treasury experts will find some way yet to get rid of the tax-exemption in a "legal" manner . . . Whatever the point, the fact is that in Wall Street and in other financial districts, there is a considerable amount of fear that tax-exemption may not remain. . . . You can feel it in the municipal market. . . . You get reflections of it in the Government market. . . .

Thus the switches from tax-exempts to taxables—despite the obvious reasons for holding the tax-exempts. . . . Anyway, the taxables have a definite position and every one knows what it is. . . .

The Securities Salesman's Corner

HAVE CONVICTIONS — BE POSITIVE

If you want to do business, especially under today's conditions, cast aside doubts, fears and uncertainties. When professionals in the securities business admittedly are at a loss to forecast the future even a few months in advance, any salesman can readily appreciate the befuddled state of mind of the average investor.

No salesman, however, can afford to allow his clients to see that he has a confused outlook. In fact, it is not necessary for a salesman to be confused. He must first, make a sincere study of the issues which he is selling. Then, when he has become convinced of their soundness and their value, he should go ahead and try to sell them.

It is not strange that the average person who buys anything, instinctively wants to be SOLD. He wants someone else to do his thinking for him. He does not want to buy. Very few people have the initiative to make up their own minds about anything. That is why we have salesmen in this world.

With this fact firmly in mind, let us come to a few convictions of our own that will help us to be positive in our outlook and creative in our sales efforts.

1. We naturally believe that the United States will win a military victory in this war. Any other outcome would be intolerable and the only alternative to victory would be slavery. So, for the longer term in this respect, the outlook is bullish.

2. In the event we have to undergo the extreme penalty of a final currency inflation, securities nd things in most instances would at least be equal to and even superior to cash.

3. With many good stocks selling today at three and four times their present day earnings, even a sharp increase in operating costs and a subsequent reduction in earnings and dividends would still not indicate that investors, who now buy sound equities for income, could be seriously hurt over the longer pull. On December 17th the Dow-Jones Industrial averages closed at 109.36. In 1937, the same averages were at 194.40, and in 1929 they were as high as 381.17. Here are some figures that you can qoute to your doubting prospects when they tell you that they wonder whether or not this is the time to buy.

4. The writer would select medium grade bonds, preferred stocks and common stocks in companies that primarily should not be affected in too great an extent by sudden shift of administrative thinking and the commands from Washington bureaus and war agencies. In this group, we would look to companies that produce mainly basic raw materials, such as the non-ferrous metals, oil companies, companies with goodly percentage of basic by-products the chemicals, companies engaged in the production of vital war materials of a general nature, banking, insurance and finance companies, also producers of natural gas and others of this type. Upon this foundation of companies situated in industries that are firmly entrenched, we would then select individual situations on the same basis of value as during any other period when more normal conditions prevailed.

Upon these four principles we would look forward to going out after business in 1942, with the same amount of confidence and enthusiasm as in the past. In fact, it is quite likely that any salesman who goes out to sell his customers on the basis of such positive convictions, will find that his customers will be receptive and that business can be consummated.

In conclusion, let's not forget that people want to be sold. Regardless of what the story books say, they actually like it. They may give you excuses, but these excuses are only indications that they want you to go further and show them why they should give you an order.

Some years ago, the writer had a very devil of a time making dates with a certain young lady. One night he was telling his troubles to a more experienced friend and his friend gave him this advice: "The reason she is not interested in making dates with you might be because you always seem to ask her where she wants to go. The next time you see her, why don't you be the boss? Have your theatre tickets in your pockets and instead of saying 'Where shall we go tonight?' try the other way. For a change you tell her where you are going." Needless to say, this stunt worked so well, I finally ended up by marrying the gal.

Your clients expect you to know what you are doing and to be positive about it. In this respect, most human beings are the same. One never needs to be overbearing, but the salesman who believes in something so strongly that he won't take "No" for an answer—that's the fellow we believe will do the business in 1942.

A MERRY, MERRY CHRISTMAS TO ALL!

W. L. Sterling In N. Y.

Warren Lee Sterling has opened offices at 114 East 52nd Street, New York City, to engage in a general securities business.

Investment Trusts

(Continued from Page 1647)

able Jan. 15, 1942 to holders of record Dec. 31, 1941.

Union Bond Fund "C"—"With its substantial holdings of lower-grade rail bonds, UBC is the natural focus of attention, during these historic times, among the several Union funds. In a sense, UBC is a clue to the strength in the rail security field.

On Oct. 6, UBC registered to a high of $5.72.

At last week's low it was $5.03.

Dec. 15 close was (plus dividend) $5.22.

(Offering price in each case)

"The decline, thus, was $.69, and the recovery was $.19, or 27% of the entire decline from the high (not from merely the pre-outbreak price of $5.56). The fact of this strong recovery would seem to support the view that psychology, rather than questioning of real value, was the prime factor in the outbreak decline." . . . "The Union Dealer."

"The next quarterly dividend on MIT shares is scheduled for payment Jan. 20, 1942 to stockholders of record Dec. 31, 1941. This payment will represent the net income of the Trust received in dividends and interest on securities owned during the fourth quarter. The Trustees now estimate that the dividend will be at least 38 cents a share, but it is possible that it may be increased to around 40 cents." . . . "Brevits."

"Protecting" Investors Or "Getting" Dealers?

(Continued from Page 1643)

issue on which the dealers and the company finally parted. My statement in the record was confined to the former and I did not mean to indicate that that was the basis on which the dealers and the company finally disagreed."

But he did not answer the Louisville dealers' statement that "at one stage in the negotiations company agreed to withdraw from direct selling and all other details of offering were arranged satisfactorily. Final disagreement was solely on price and was in an effort to protect our small investors."

Some of the Louisville dealers claim that theirs was a pure self-sacrifice in passing up $112,500 in commissions (75 cents on 150,000 shares) to protect their customers from an over-priced issue.

But this may be an over-statement. They might not have been able to sell much more of it than the company has. And after that, what would their customers have thought of them? And how about their underwriters' liability to their customers on an issue in neither the prospectus nor pricing of which they had any hand whatever?

But it is no over-statement to say that they acted much more in the interest of small Louisville investors than did the Commission.

Result: The company doesn't get its money, the dealers don't get the business and a few investors get an over-priced issue.

All of which prompted one Congressman to say, "Here we find the unusual situation of a Commission set up by Congress to protect the public interest passing favorably upon a matter while the dealers who have an opportunity to make a profit out of it reject the opportunity because they feel that the Commission is in error and that the price is unreasonable to the public."

Of course, it can't be proved that the Commission was so interested in "getting" the dealers that it forgot about the investors. But it looks like it.

DIVIDEND NOTICES

CANCO AMERICAN CAN COMPANY

COMMON STOCK

On December 23rd, 1941 a quarterly dividend of one dollar per share was declared on the Common Stock of this Company, payable February 16th, 1942, to Stockholders of record at the close of business January 23rd, 1942. Transfer Books will remain open. Checks will be mailed.

R. A. BURGER, *Secretary.*

American Manufacturing Company

NOBLE AND WEST STREETS
BROOKLYN, NEW YORK

The Board of Directors of the American Manufacturing Company has declared the regular quarterly dividend of $1.25 per share on the Preferred Stock and a dividend of $1.50 per share on the Common Stock of the Company. Both payable December 31, 1941 to Stockholders of record December 19, 1941.

ROBERT B. BROWN, Treasurer

CITY INVESTING COMPANY

55 BROADWAY, NEW YORK

December 18, 1941

The Board of Directors has this day declared, out of surplus earnings of the Company, a dividend for the three months ending December 31, 1941, of one and three quarters (1¾%) per centum upon the issued and outstanding Preferred Capital stock of the Company, other than Preferred Stock owned by the Company, payable January 2, 1942, to holders (other than the Company), of the Preferred Capital stock of record on the books of the Company at the close of business on December 27th, 1941. Checks will be mailed.

G. F. GUNTHER, Secretary

Electric Bond and Share Company

$6 and $5 Preferred Stock Dividends

The regular quarterly dividends of $1.50 per share on the $6 Preferred Stock and $1.25 per share on the $5 Preferred Stock of the Company have been declared for payment February 2, 1942 to the stockholders of record at the close of business January 6, 1942.

L. B. WIEGERS, Treasurer

JOHN MORRELL & CO.

DIVIDEND NO. 50

A dividend of Fifty Cents ($0.50) per share on the capital stock of John Morrell & Co., will be paid Jan. 26, 1942, to stockholders of record Jan. 3, 1942, as shown on the books of the Company.

Ottumwa, Iowa, Geo. A. Morrell, Treas.

National Power & Light Company

$6 PREFERRED STOCK DIVIDEND

The regular quarterly dividend of $1.50 per share on the $6 Preferred Stock of National Power & Light Company has been declared for payment February 2, 1942, to holders of record at the close of business January 15, 1942.

ALEXANDER SIMPSON, Treasurer

PACIFIC GAS AND ELECTRIC CO.

DIVIDEND NOTICE

Common Stock Dividend No. 104

A cash dividend declared by the Board of Directors on December 17, 1941 for the quarter ending December 31, 1941, equal to 2% of its par value, will be paid upon the Common Capital Stock of this Company by check on January 15, 1942, to shareholders of record at the close of business on December 31, 1941. The Transfer Books will not be closed.

D. H. FOOTE, *Secretary-Treasurer*

San Francisco, California.

A JOB TO DO IN '42

We insurance men are proud of the job we did in 1941. But the job for 1942 is even bigger. It calls for "all-out" effort to meet unparalleled demands. We know that freedom throughout the world depends upon America's manufacturing potential. And we're determined to safeguard that potential against the hazards that hamper production. This calls for more than just hard work on our part . . . it calls for study as well, to obtain full knowledge of today's complex situations and the policies which cover them. Yes, we insurance men realize that we're faced with a man-sized job in 1942. But we are going to do it!

U. S. F. & G.

UNITED STATES FIDELITY AND GUARANTY COMPANY
With which is affiliated
FIDELITY AND GUARANTY FIRE CORPORATION
HOME OFFICES—BALTIMORE, MARYLAND

Tucker Opens In Cambridge

(Special to The Financial Chronicle)

CAMBRIDGE, MASS. — Frank L. Tucker has opened an office at 30 State Street to engage in a general securities business.

THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK

The Chase National Bank of the City of New York has declared a dividend of 70¢ per share on the 7,400,000 shares of the capital stock of the Bank, payable February 1, 1942 to holders of record at the close of business January 16, 1942.

The transfer books will not be closed in connection with the payment of this dividend.

THE CHASE NATIONAL BANK
OF THE CITY OF NEW YORK
W. H. Moorhead
Vice President and Cashier

W. P. Sullivan Has Formed Sullivan Investment Co.

WICHITA, KANS.—William P. Sullivan has formed the Sullivan Investment Co. with offices in the Union National Bank Building to engage in a securities business. Mr. Sullivan was formerly with Brooks-Milburn, Inc.; prior thereto he was partner and manager of the trading department of Sullivan-Brooks Co. and was proprietor of Wm. P. Sullivan & Associates.

H. E. Anderson Jr. Joins

Herbert E. Anderson, Jr. on Jan. 2, 1942 will be admitted to partnership in Green, Ellis & Anderson, 100 Broadway, New York City, members of the New York Stock Exchange.

Macqueston With Halladay

Edward G. Maqueston will become a special partner in Halladay & Co., 14 Wall Street, New York City, members of the New York Stock Exchange, on Jan. 1, 1942.

Efforts To Federalize State Unemployment Compensation Systems Opposed By Batt

Contending that "there is a definite intention to Federalize the unemployment compensation systems of the various States," George K. Batt, President of the New Jersey State Chamber of Commerce, believes that all representative organizations should take an aggressive position on this vital subject. Speaking before the monthly meeting of the New York State Chamber of Commerce on Dec. 4, Mr. Batt said that he believes the States are well fitted to provide unemployment compensation programs suitable for their respective needs and that all efforts to transfer the administration of these programs from the States to the Federal Government should be resisted. Federalization of the program, he added, would undoubtedly mean a diversion of trust funds from one State to another after certain standards laid down by the Federal Government had been met. Thus giving the Federal Government ultimate control of a system which properly belongs to the States. Mr. Batt continued:

At the present time, we as employers are asked to contribute 3% of our payrolls to the State Unemployment Insurance Fund, which is turned over to the custody of our Federal Government—90% of that being to the credit of the State Government and the other 10% utilized for Federal expenses. It is my understanding that the combined principal on this fund in the Federal Treasury has in the short space of six years reached the staggering sum of over $2,000,000,000 and that also the law provides that our Federal Government is to reinvest this sum in Government bonds of either old or new issues. But to date this sum has been issued in only new bonds, which, of course, means only one thing, that is, it is being used for the payment of current Government expenses.

If any one of you as business men or financial men were to follow that principle in the conduct of your own individual business, I believe, to say the least, that you would be under very severe censure from the various authorities involved. I also believe if this very great sum had been invested through the business life of the nation that it would have caused serious interference with the natural course of our business investment and that a form of competition would be set up which would be destructive to the sound financial basis which our country has always sustained. Therefore, the only logical businesslike approach would seem to be that this matter be handled Statewide on a pay-as-you-go basis.

Federal control must never be allowed to use its taxing powers to dictate policies. Its taxing powers should be used to raise revenue. And in times of national defense there should be no doubt raised concerning the ultimate use of Federal tax money.

It is, therefore, recommended that such taxes as are deemed necessary for defense and other general revenue be honestly calld such and not levied under the guise of social security.

Jos. V. Allen To Be Partner

Joseph V. Allen, in charge of the Statistical Department at Clark, Dodge & Co., 61 Wall Street, New York City, members of the New York Stock Exchange and other leading national exchanges, will be admitted to partnership in the firm on Jan. 1, 1942.

Maclin Appointed Asst.

James F. Burns, Jr., President of the Association of Stock Exchange Firms, announced on Dec. 22 that he has appointed Luttrell Maclin as his assistant. Mr. Maclin who has been associated with the Financial Department of the New York "Herald-Tribune" since 1934, will assume his duties on Dec. 29.

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WHISPERINGS

One day **Frank (Schwabacher & Co.) Bowyer** was sitting at his desk racking his brain about where he could get a bid for some cats and dogs he had. All he wanted was a bid, firm long enough so his customer would offer it firm. He called **Sid (S. R. Melvin & Co.) Melvin** to see if he would take the stock. No luck. He tried all over the Street but met with equal success. Christmas, according to **Frank**, was now as bleak as it could be when suddenly the board buzzed angrily. It was **Sid Melvin** back again. "Still got that stock?" asked **Sid.** "Yep!" said **Fred**, seeing a couple of dollars on the horizon. "Want it?" . . . "Okay," said **Sid.** "I'll take the stuff off your hands for only one reason. With everything going up, I figure the price of old paper'll go up, too. So send the stock over." **Frank** has been wondering ever since if, instead of combing the Street for a bid, he hasn't been wasting his time overlooking old paper buyers.

An optimist, according to **Earl Rodney**, is one who still thinks that the future is uncertain.

A broker, discussing the state of business, or the lack of it, was asked how a certain young man in his organization, his wife's cousin, was doing. "Oh, him!" replied the broker, disgustedly. "I'm going to turn him over to the Government for defense work." His wife, hearing the reply, gushed forth with, "Darling, I didn't know you had any Government contracts." . . . "Who said anything about Government contracts?" roared the disgusted broker. "I'm just handing that cousin of yours to the Government so they can take the lead out of his pants and use it for bullets!"

Bob Huff and **Jack Hecht** of **Butler-Huff & Co., Los Angeles, Calif.**, are sending small cases of alligator pears to a few people as Christmas presents. One of the recipients in the East received a case and for three days it stood in the corner. It seemed that the little woman, knowing all the tricks that her husband and his friends were capable of, refused to open the box. She was sure it held live alligators.

Two occupants of a brokerage board room on upper Fifth Avenue were busily engaged in examining a camera. "I'll tell you what," said one. "I'll give you $20 for the camera." The man shook his head. "I can't afford to sell this for $20. It cost me $15." . . . "Wait a minute," said the prospective purchaser. "You say you paid $15 for it. I'm offering you $20. How can you be losing money?" The owner of the camera sighed and explained. "I'm playing the market."

Harry M. Sheely & Co., of Baltimore, Maryland, has sent out a novel Christmas card. It's printed on what looks like bond paper, engraved to look like a stock certificate. It even has a warrant attached which " . . . if presented between the hours of 12 noon and 2 p.m., the holder has a pre-dated invitation for lunch, or at his option, cocktails." When we first saw it we thought 1929 was back again. However, a free lunch, or even a drink, particularly when accompanied by Harry Sheely's good wishes, isn't to be regarded lightly. . . . Here's to a better 1942! Harry.

A trader employed in a Broad Street security firm was showing his latest girl friend around the office and attempting to impress her that his coming down town every day was merely a gesture. Actually, he assured her, he had other more important interests, she knew her it was, sentiment and all that. Another trader overhearing this bit of confidence couldn't contain himself any longer. "Sure," he broke in with a snort. "He doesn't have to do this for a living. But he's too nervous to steal!"

Tomorrow's Markets Walter Whyte Says—

(Continued from Page 1645)

on the war and it's outcome. In Europe the once detested Reds are chasing the Nazis home with their tails tucked between their freezing legs. In Libya the same thing is happening. Only in the Far East, where we are actively engaged, does the news continue bad. So long as the news from the Pacific continues in that vein, so long will our market do little but have fitful rallies.

* * *

That doesn't mean that these so called fitful rallies are to be ignored. On the contrary, out of such rallies can money be made. And frequently what begin as just up ripples in a down market may actually develop into full blown market reversals.

* * *

Right now the papers tell us stories about Jap landings all along the Philippines. We know that our forces are giving a good account of themselves. But until we change our tactics from defense into one of active offense no sudden news flare to feed a potential advancing market can reasonably be expected. Here censorship plays a major role. For as far as we know we might well be on the verge of a major turnabout in the Pacific. But if this occurs in the immediate future my guess is that it will catch the market napping just as news of the outbreak in Pacific hostilities caught us asleep. So instead of looking at official communiques I think you'd better to look at individual stocks for clues, not for the war trend but for a market trend. One will reflect or anticipate the other.

* * *

At the beginning of this article I wrote that the market was beginning to act a little better. I'll explain that. It isn't the market that acts better; it's certain stocks. And, strangely enough, it is the stocks that have been the worst performers of late that are beginning to show these characteristics.

* * *

I recall an old, old trading rule that says in effect that the ones down the most are the ones to buy. If that is true today, then stocks like Chrysler, General Motors, Sears, Montgomery Ward, American Telephone, U. S. Rubber common and preferred are attractive.

* * *

You may wonder what happens to the rest of the market if such stocks go up. Well, markets seldom start up as units. In the first stage stocks down the most go up the most. In the second stage (characterized by a slowing down of the first group) stocks that have not gone down far (e.g., U. S. Steel) join in. Just before the top, or coincidental with it, other stocks, those which seldom seem to gain much popularity, join the parade.

* * *

All this is normal and part of a market picture which applies in war as well as peace. There may be some intensification of these swings due to news, particularly war news, but by and large the conditions remain the same.

* * *

Summing it up I should say that despite the bad news the market right now is in a better buying than it is in a selling position.

More next Thursday.

—Walter Whyte

[*The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.*]

UP-TOWN AFTER 3

NEW MOVIES

"The Man Who Came to Dinner" (WB), with a grand cast, headed by Monty Wooley, Bette Davis, Ann Sheridan, Billie Burke, Jimmy Durante, Richard Travis and others. Directed by William Keighley.

The Broadway success from which this was taken was a laugh from beginning to end, but the movie version is, if anything, funnier. If you saw the play you recall the action takes place in the living room of a Middle Western family. On the stage a single set has its advantages but in the movies it usually makes for dragginess. But strangely enough there is nothing draggy about the picture. Its dialogues are fast, brilliant, rapier sharp and funny. Monty Wooley, whose picture it is despite Bette Davis and Ann Sheridan, is a master of invective. is acting is top-notch. Both Miss Davis, as his secretary, and Miss Sheridan, as the actress in search of an author, give commendable performances. True, some of the lines fall close to the borderline. Anyway, a lot of them are full of double entendre. The result is adult comedy at its best. In any case, "The Man Who, etc.," is a grand picture. Don't miss it!

Theodore's (4. E. 56th) is one of the pleasantest restaurants in town. The service is everything you can expect and the food well prepared. Dinners start from $1.65, but even in that category there is a wide assortment to choose from. By the way if you like a swell drink, a cordial, after dinner, as **A. Mele** (he's the owner) to give you some of the Liqeur Du Convent Du Pere Babylas. Its a cointreau type of drink, of which there are only seven cases in America. **Mele** has three and **Gene** of the **Colony** has four.. Its 75c and the smoothest tasting cordial I have tasted. . . . And while I'm on the subject of drinking here's a few recipes you might like to try if you are having a party at home: An **Old Fashioned** as served at the famous Pendennis Club in Louisville: One quarter lump sugar; two spoons water; one dash Angostura; one jigger whiskey; one lemon peel; one lump ice, and serve with small spoon. If you prefer a drink with Scotch (not a highball) here's a few.... **The Robin:** One-half bitters; one-half Scotch; stir and serve with a cherry. . . . **Rob Roy:** Dash of Orange Bitters; one-half Scotch; one-half Vermouth, stir and serve. . . . If you've got some **Irish Whiskey** try this one: Dash of Angostura; one-half Irish whiskey; one-half Italian Vermouth. Serve.

If you're having a mob at home and want to make the stuff up in wholesale lots, here's a drink called **"Champagne."** I don't know where it gets its name. There's no champagne in it. Anyway, here it is. A pitcher: One and one-half ponies brandy; one pony benedictine; one pony maraschino; one bottle soda; one bottle wine; one stick of ice; fruit, decorate with mint. . . . For the non-drinking set you might try this: Equal portions raspberry syrup; pineapple juice; lemon juice; orange juice; red currant juice. Stir, add ice and fill with water. Add sliced bananas and whole strawberries. If you've got some eggs around the house and want to make some flips (drinks not acrobatics) here's a few: **Sherry Flip:** One egg; one-half spoon sugar; one jigger Sherry; ice; shake; strain; grate nutmeg on top and serve. . . . **Whiskey Flip:** One egg; one-half spoon sugar; one jigger whiskey; shake; strain; nutmeg grated on top. . . . Here's a **hot drink:** One-half lump sugar; two spoons hot water; one piece twisted lemon peel; one jigger rye; fill with hot water. . . . If you want the same with Scotch here's what to do: Lump sugar; one jigger Scotch; fill two-thirds with hot water; one piece lemon peel twisted. . . . Here's a **hot spiced rum drink:** Lump sugar, dissolved in hot water; one jigger rum; five whole cloves; fill glass with hot water. . . . Somebody asked for a **Tom & Jerry.** Here it is: Beat six eggs well, adding powdered sugar until very thick, working out the lumps. Pour one-half tablespoon of this batter into mug. One-half jigger brandy; one-half jigger rum. Fill with hot water and add nutmeg. If you want a drink that looks like something, flames and everything, try this one: Moisten edge of a claret glass—dip in powdered sugar; seven-eighths hot coffee (black); one-eighth brandy on top. Set fire to brandy. . . . All the recipes were lifted right out of the old **Waldorf-Astoria Bar Book**. Some of them I have tasted. Most of them are still a mystery to me. However, bottoms up and here's hoping 1942 will be a lot better than 1941! . . . Oops—sorry. Musta ate too much.

Scenes-About-New York . . . Fefe Ferry at the Boomer dinner at the Waldorf being sent away. He's wearing black tie and white tie is obligatory. . . . So he comes back with white tie but no tails . . . his tailor has them and he's closed. For the rest of the night the elegant **Fefe** has a time explaining he's a guest and not a waiter. . . . **Lucius Beebe**, the Beau Brummel of newspaper row, at the same dinner—fast asleep. . . . **Lowell Thomas**, globe trotter, who knows his way around the world, trots into the ladies room by mistake and comes trotting out again. . . . **That's all for now, so a Merry, Merry, Christmas!!**

Herman Michels to Become A Partner in Dean Witter

SAN FRANCISCO, CALIF. — Herman H. Michels will become a partner in Dean Witter & Co., 45 Montgomery Street, members of the New York Stock Exchange, and other leading national exchanges, on Jan. 1. Mr. Michels for many years was a partner in Wm. Cavalier & Co.

Changes Firm Name

Richard K. Kaufmann & Co., 120 Broadway, New York City, members of the New York Stock Exchange, will change the firm name to Richard K. Kaufmann. Alsberg & Co. as of Jan. 1, 1942.

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Calendar of New Security Flotations

OFFERINGS

BOND STORES, INC.

Bond Stores, Inc., filed registration statement with the SEC for 50,000 shares common stock, $1 par value

Address—261 Fifth Ave., New York City

Business—Business consists principally of retail sale of men's and young men's clothing at 59 stores located in 48 cities, and the manufacture by the company of most of the clothing sold at such stores

Underwriters — Lehman Brothers, and Wertheim & Co., both of New York

Offering—The 50,000 shares are already outstanding and are to be offered to the public for the account of Benj. J. Friedman, President of the company. Public offering price will be determined in accordance with a formula, evolving around the then price of such common stock on the New York Stock Exchange

Proceeds will be received by Benj. J. Friedman, President of company

Registration Statement No. 2-4909. Form A2. (12-8-41)

Offered Dec. 24, 1941

CESSNA AIRCRAFT CO.

Cessna Aircraft Co. filed registration statement with SEC for 21,445 shares of common stock, $1 par value

Address—5800 Franklin Road, Wichita, Kansas

Business—Manufacture, design development and sale of single and multi-engine aircraft, together with repair parts therefor, for commercial, transport, military and private domestic use, and for export for both private and military use

Underwriter—Auchinloss, Parker & Redpath, Washington, D. D.

Offering—The shares registered are already outstanding and are to be offered to the public for the account of two selling stockholders

Proceeds will be received by the selling stockholders

Registration Statement No. 2-4911. Form S2. (12-9-41)

Effective 3 p. m., E. S. T., on Dec. 16, 1941

Offered Dec. 17, 1941, at $11.50 per share

FOOD MACHINERY CORP.

Food Machinery Corp. filed registration statement with SEC for $4,000,000 sinking fund debentures, due 1956. Interest rate will be supplied by amendment to registration statement

Address—San Jose, Cal.

Business—Manufacture and sale of food cleaning and packing machinery

Underwriters—Kidder, Peabody & Co., and Mitchum, Tully & Co.

Offering—The debentures will be offered to the public, at a price to be supplied by amendment

Proceeds will be applied toward payment of outstanding bank loans, and for working capital purposes

Registration Statement No. 2-4907. Form A2. (12-4-41 San Francisco)

Offered Dec. 24, 1941, at 100 and interest

NORTH SHORE GAS CO.

North Shore Gas Co. registered with the SEC $3,700,000 of first mortgage series A bonds, due 1961, and $700,000 serial notes due $50,000 semi-annually in 1942-1948, inclusive. Interest rates and maturity dates will be supplied by amendment

Address—211 Madison St., Waukegan, Ill.

Business—This public utility company is engaged principally in the production, distribution and sale of gas for heat, light, power and other purposes; gas sold consists partially of water gas and partially of coke oven gas. Territory served comprises 270 sq. miles, including all of the communities situated along the shore of Lake Michigan from the Illinois-Wisconsin State line on the north to the south boundary of Winnetka, Ill., on the south

Underwriters—Central Republic Co., Chicago, is named principal underwriter; names of other underwriters will be supplied by amendment

Offering—The bonds and notes will be offered to the public, at prices to be supplied by amendment.

Proceeds, plus other funds of company, will be applied to payment, at 100 and accrued interest, of the $4,604,000 of joint first mortgage 4% Series A bonds, due Jan. 1, 1942, of company and North Shore Coke & Chemical Co.

Registration Statement No. 2-4889. Form A2. (11-18-41)

Company has filed an amendment with the SEC disclosing that the $3,700,000 first mortgage series A bonds of company would bear an interest rate of 4¼% per annum, and would mature on Dec. 1, 1961. Also, that the $700,000 of serial notes would mature $50,000 on each June 1 and Dec. 1, from June 1, 1942, to Dec. 1, 1948, both inclusive. The public offering prices of the bonds and notes, and the interest rates on the notes, will be supplied by a subsequent amendment to the registration statement

Company filed amendment Dec. 11, 1941, giving the interest rates on the serial notes 2½% to 3¾%.

The underwriters, and the principal amount of the bonds and notes which each has agreed to purchase, are as follows:

	Bonds	Notes
	(000 omitted)	
Central Republic Co., Inc., Chicago	$1,050	$200
E. H. Rollins & Sons Inc., New York	900	170
Stern, Wampler & Co., Inc., Chicago	650	120
Coffin & Burr, Inc., Boston	600	115
A. C. Allyn & Co., Inc., Chic.	500	95

Effective 4:30 p. m., E.S.T., on Dec. 18, 1941

Offered Dec. 19, 1941, the bonds at 101 and interest and the notes at prices to yield from 1% to 3.95%, according to maturity

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).

Offerings will rarely be made before the day following.

THURSDAY, DEC. 25

INTER-MOUNTAIN TELEPHONE CO.

Inter-Mountain Telephone Co. filed registration statement with SEC for 25,000 shares common stock, voting, $10 par value

Address—Sixth and Crumley Sts., Bristol, Tenn.

Business—Supplies telephone service in portions of Virginia and Tennessee

Underwriters—Alex. Brown & Sons, Baltimore; Mason-Hagan, Inc., Richmond, Va.; Stern, Wampler & Co., Inc., Chicago; Equitable Securities Corp., Nashville, Tenn.; Courts & Co., Atlanta, Ga.; R. S. Dickson & Co., Inc., Charlotte, N. C.; Minnich, Wright & Co., Inc., Bristol, Tenn.

Offering—The 25,000 shares of common stock will be offered to the public, at a price to be supplied by amendment to registration statement. The shares are to be offered for the account of the underwriters, who are to acquire such shares as follows: Southern Bell Telephone & Telegraph Co. and Chesapeake & Potomac Telephone Co. of Virginia, have agreed to sell to above underwriters, a total of 25,000 shares of 6% non-cumulative convertible preferred stock, $10 par, of company, at a price to be supplied by amendment (20,665 shares of such preferred to be sold by former, 4,335 shares by latter). Underwriters agree that immediately following delivery to them of such shares of preferred stock, each will convert same, share for share, into a total of 25,000 shares of common stock of company

Proceeds will be received by the underwriters

Registration Statement No. 2-4908. Form A2. (12-6-41)

SATURDAY, DEC. 27

BURLINGTON REALTY TRUST

Bondholders' Committee for holders of Burlington Realty Trust first mortgage 5½% sinking fund bonds (modified to pay interest at 3% on income basis) due Oct. 1, 1945, has filed registration statement with SEC for certificates of deposit to be issued under a deposit agreement covering said bonds. $1,052,800 of such bonds are outstanding

Address—Company: 175 Woodruff Ave., Brooklyn, N. Y.; Protective Committee: c/o William Healy, 1701 Landreth Bldg., St. Louis, Mo.

Business—The Burlington Trust owned, operated and managed merchantile property known and numbered as 21-27 Burlington Ave., at Brookline Ave., Boston, Mass., which was leased to the Post Office Department of the U. S. of America

Protective Committee—John F. Bunn, Jr., Philadelphia; A. A. Christophel, St. Louis; W. C. Siddle, Davenport, Ia. **Depositary**—First Trust & Savings Bank, Davenport, Ia.

Committee Recommends that holders deposit their bonds promptly, so that the Committee may be in a position to prepare to bring about a foreclosure sale and protect the interests of the depositing bondholders at such sale, and in addition to be in a position to sell the mortgaged property, if a suitable offer is received

Registration Statement No. 2-4910. Form D-1 (12-8-41)

WEDNESDAY, DEC. 31

MERCHANTS & MANUFACTURERS SECURITIES CO.

Merchants & Manufacturers Securities Co. has filed a registration statement with the SEC for $1,081,000 of 10-year 4½% debentures, due Sept. 1, 1950

Address—231 South La Salle St., Chicago, Ill.

Business—Through its subsidiaries, is engaged in the small loans business

Underwriting and Offering—The debentures are outstanding in the hands of the public and have been registered with SEC under Securities Act of 1933 solely for the purpose of obtaining the assent of the holders of not less than a majority in principal amount thereof to modify certain provisions of the indenture under which the debentures have been issued. Smith, Burris & Co., Chicago, is to assist company in obtaining such assents. Major modification of indenture being sought is to permit release from covenants thereof of not to exceed 62,484 shares of common stock of Domestic Finance Corp. now owned by Merchants & Manufacturers Securities Co. It is present intention of company to dispose of such shares either in exchange for or to utilize the proceeds of the sale thereof for the purchase of shares of participating preferred stock of the company

Registration Statement No. 2-4912. Form A2. (12-12-41)

VIRGINIA PUBLIC SERVICE CO.

Virginia Public Service Co. filed a registration statement with the SEC for: $22,800,000 first mortgage 3½% bonds, due Dec. 1, 1971; $5,700,000 of 2%-3½% serial notes, due semi-annually June 1, 1944-Dec. 1, 1951, in varying amounts (from $320,000 to $390,000); 70,000 shares 5¼% cumulative preferred stock, $100 par value; and 628,333 shares common stock, no par

Address—117 S. Washington St., Alexandria, Va.

Business—Company is principally an electric operating public utility engaged in the production, purchase, transmission, distribution and sale of electric energy at retail and wholesale in Virginia, West Virginia and, to a minor extent, in North Carolina. Company is a subsidiary of General Gas & Electric Corp., which is in the Associated Gas & Electric Corp. holding company system

Underwriting and Offering—The securities registered will be sold through competitive bidding, under the SEC's competitive bidding Rule U-50 of the Public Utility Holding Company Act. Only exception is confined to such shares of the new preferred stock as may be issued on a share for share basis (with a cash adjustment) to holders of the presently outstanding preferred stock who do not elect to take cash for their stock. Name of underwriters, and public offering prices for the securities, will be supplied by post-effective amendment to registration statement

Proceeds will be used as follows: The 628,333 shares of new no par common stock will first be issued to General Gas & Electric Corp. in exchange for the old common stock now held by General Gas & Electric Corp., and will be offered for sale through competitive bidding. The proceeds from the sale of the securities registered will be used to retire all of the outstanding long-term indebtedness of the company, its predecessor and constituent companies, and that of Virginia Public Service Generating Co. (a subsidiary), to make cash payments to its present preferred stockholders, and to provide company with funds for new construction

Registration Statement No. 2-4913. Form A2. (12-12-41)

SUNDAY, JAN. 4

INVESTORS MUTUAL FUND, INC.

Investors Mutual Fund, Inc., filed registration statement with the SEC for 3,000 units of investment certificates representing an equitable interest in the class of special stock of company known as "Investors Corporate Fund," as follows: 600 units of $1,200 each of investors corporate fund monthly payment certificates without life insurance protection permitting aggregate payments of $720,000; 400 units of $1,200 each of investors corporate fund monthly payment certificates with life insurance protection permitting aggregate payments of $480,000; and 2,000 units of $250 each of investors corporate fund full paid certificates requiring aggregate payments of $500,000. The number of shares to be issued of the class of special stock designated as investors corporate fund is indeterminable in advance.

Address—Kansas City, Mo.

Business—Company is a diversified investment trust, qualified to do business in Delaware and Missouri.

Underwriter—Investors Fund, Inc., Kansas City, Mo.

Offering—The investor makes written application to company for the size and type of certificate that will evidence the trust fund he has elected to create, and makes the required payment. Upon acceptance of the application, company issues a certificate that is authenticated by the trustee and is registered in the name of the investor. Full paid certificates are issued in denominations of $250 and multiples thereof. Invesors' net payments are invested at the net asset value of the shares of Investors Corporate Fund.

Proceeds will be used for investment purposes.

Registration Statement No. 2-4914. Form A1. (12-16-41)

MONDAY, JAN. 5

DIANA STORES CORP.

Diana Stores Corp. filed registration statement with SEC for 20,000 shares of 6% cumulative convertible preferred stock, and 60,000 shares common stock, $1 par value

Address—519 Eighth Ave., New York City

Business—Operates a chain of 25 retail women's apparel stores, located in Florida, Georgia, North and South Carolina, Alabama and Virginia. Company does no manufacturing

Underwriters—Smith, Burris & Co., Chicago, and Tobey & Co., New York

Offering—20,000 shares of 6% cumulative convertible preferred stock and 20,000 shares of common stock will be offered to the public, in units consisting of one share of preferred and one share of common stock, at $14 per unit. Underwriting commission is $2.10 per unit. Remaining 40,000 shares common stock are reserved for issuance upon the conversion of the preferred stock

Proceeds will be added to working capital

Registration Statement No. 2-4915. Form S2. (12-17-41)

UNITED AIRCRAFT CORP.

United Aircraft Corp. filed a registration statement with the SEC for 265,669 shares of cumulative convertible preferred stock, $100 par value, and a maximum of 943,309 shares of common stock, $5 par (latter reserved for issuance upon conversion of the preferred stock). Dividend rate on the preferred stock will be supplied by amendment

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Dept. C 25 **25 Spruce Street, New York, N. Y.**

Business—Business of company is carried on through five operating divisions and three subsidiaries; three of the divisions are manufacturing divisions and each has its own engineering, research, manufacturing and sales organizations. Business includes manufacture and sale of aircraft engines, propellers, and other aircraft parts and accessories

Underwriting and Offering—The 265,669 shares of preferred stock will be initially offered to holders of company's common stock, for subscription at $100 per share, pro rata, at the rate of one share of preferred stock for each 10 shares of common stock held of record on Jan. 2, 1942, and on the same basis to holders of certificates for shares of common stock of United Aircraft & Transport Corp. who, by exchange of their certificates after such date and prior to the expiration date of the subscription warrants, shall have become stockholders of the corporation. The rights to subscribe shall be evidenced by subscription warrants, which will expire on Jan. 13, 1942. Any of such shares of preferred stock not subscribed to under above offer, will be underwritten and offered to the public, at a price to be supplied by amendment. Price to the underwriters for the unsubscribed stock will be $100 per share. Harriman Ripley & Co., Inc., New York, is named principal underwriter; names of the other underwriters will be furnished by later amendment

Proceeds will be added to working capital and will be used for corporate purposes

Registration Statement No. 2-4916. Form A2. (12-17-41)

THURSDAY, JAN. 8

ALABAMA POWER CO.

Alabama Power Co. filed a registration statement with the SEC for $80,000,000 of first mortgage bonds, due Jan. 1, 1972. The interest rate will be supplied by post-effective amendment to the registration statement

Address—600 N. 18th St., Birmingham, Ala.

Business—A subsidiary of the Commonwealth & Southern Corp., this company is engaged, in the State of Alabama, in the generation and purchase of electricity and its distribution and sale at retail in 582 communities and rural areas, and sale at wholesale of electricity to other companies and municipalities. Also, purchases and sells natural gas in Phenix City, provides transportation service in Tuscaloosa and vicinity. About 99% of total gross operating revenues is derived from electric operations

Underwriting and Offering—The bonds will be sold under competitive bidding, pursuant to Rule U-50 of the Public Utility Holding Company Act of 1935, of the SEC. Names of underwriters and the public offering price, will be supplied by post-effective amendment to the registration statement

Proceeds from sale of the new bonds, together with the proceeds of bank loans aggregating $12,000,000 and treasury funds of the company to the extent necessary, will be used for the redemption or provision for payment of the entire outstanding mortgage debt of the company

Registration Statement No. 2-4917. Form A2. (12-20-41)

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AIR ASSOCIATES, INC.

Air Associates, Inc., registered with SEC 50,000 shares $1.37½ Cumulative Convertible Preferred Stock, no par; and maximum of 100,000 shares $1 par common stock, latter reserved for issuance upon conversion of the preferred.

Address—Bendix Airport, Bendix, N. J.

Business—Company is manufacturer and distributor of airplane parts, equipment, material, supplies and accessories.

Underwriter—White, Weld & Co., New York, is principal underwriter; others to be named by amendment. Underwriting commission is $2.25 per share.

Offering—Preferred stock to be offered amendment.

Proceeds—$300,000 to prepay outstanding bank loans; $200,000 for purchase of additional machinery; balance for plant additions and working capital.

Registration Statement No. 2-4851. Form A-2. (9-27-41).

The company has filed an amendment to its registration statement with the Securities and Exchange Commission disclosing that its 50,000 shares of $1.37½ cumulative convertible preferred stock will be offered to the public by the following underwriters:

	Shares
White, Weld & Co.	12,500
Jackson & Curtis	10,000
Merrill, Lynch, Pierce, Fenner & Beane	10,000
Stern, Wampler & Co.	5,000
E. H. Rollins & Sons	4,000
Pacific Co. of California	4,000
Mitchum, Tully & Co.	1,500
Cohu & Torrey	1,000
Fuller, Cruttenden & Co.	1,000
Vietor Common & Co.	1,000

Amendments filed Nov. 25 and Dec. 13, 1941, to defer effective date

AMERICAN BAKERIES CO.

American Bakeries Co. registered 15,000 shares Class B no par common stock

Address—No. 520 Ten Pryor St. Bldg., Atlanta, Ga.

Business—Manufacturing and distributing bakery products in souther states

Underwriter—None named

Offering—Stock will be offered to public at price to be filed by amendment

Proceeds—All proceeds will be received by L. A. Cushman, Jr., chairman of board of company, for whose account the stock will be sold

Registration Statement No. 2-4714. Form A-2. (3-28-41)

Proposed offering as amended Dec. 10, 1941, 9,000 shares at $54.25 per share

Amendments filed Nov. 21 and Dec. 8, 1941, to defer effective date

BEACON ASSOCIATES, INC.

Beacon Associates, Inc. registered SEC $500,000 6% Participating Sinking Fund Debentures, due July 1, 1971

Beacon Associates, Inc. interest rate on $500,000 Participating Sinking Fund Series A Debentures, due July 1, 1971, changed from 6% to 6½% per annum, according to amendment filed with SEC July 21, 1941

Address—216 Turks Head Bldg., Providence, R. I.

Business—Engaged in the small loan business in Rhode Island and Massachusetts

Offering—The Debentures will be offered to the public at 100 by F. L. Putnam & Co., Inc., Boston; underwriting commission is 15%, leaving net price to company of 85

Underwriter—F. L. Putnam & Co., Inc., Boston

Proceeds—Will be advanced to subsidiary for their working capital or will be used for payment of debt incurred on providing funds for advances to subsidiaries

Registration Statement No. 2-4790. Form A-2. (6-27-41)

Effective—3:00 P.M. E.S.T., August 22, as of July 17, 1941

BEAR MINING AND MILLNG COMPANY

Bear Mining and Milling Co. registered 153,145 shares of common stock, $1 par

Address — 513 Majestic Bldg., Denver, Colo.

Business—Mining and milling

Underwriter—None

Offering—Stock will be offered publicly at $1 per share, selling commission, 35%

Calendar of New Security Flotations

Proceeds — For development equipment and operation mining property near Breckenridge, Colo.

Registration Statement No. 2-4571. Form A-1. (11-12-40)

Amendment filed Dec. 3, 1941, to defer effective date

BONWIT TELLER, INC.

Bonwit Teller, Inc. registered 39,334 shares of 5½% cumulative convertible preferred stock, $50 par, and 131,202 shares of common stock, $1 par

Address—721 Fifth Avenue, New York City

Business—Operation of specialty store in New York City

Underwriters—To be filed by amendment

Offering Terms — Preferred and common will be publicly offered at prices to be filed by amendment, except that 106,202 common shares will be reserved for conversion of preferred

Proceeds—Stock will be sold by Atlas Corp. and the American Co., parents, and no proceeds will be received by the company

Registration Statement No. 2-4748. Form A-2. (4-30-41)

Amendments filed Nov. 24 and Dec. 11, 1941, to defer effective date

CAROLINA TELEPHONE & TELEGRAPH CO.

Carolina Telephone & Telegraph Co. registered with SEC 10,625 shares common stock, $100 par, and subscription warrants evidencing rights to subscribe for such 10,625 shares common stock

Address—122 St. James St., Tarboro, N. C.

Business—This operating company is engaged in the telephone business in the eastern part of North Carolina. About 31.67 of its common stock is owned by Southern Bell Telephone & Telegraph Co. (a subsidiary of AT&T)

Underwriters—There is no underwriting involved in connection with this financing

Offering—Common stockholders of record Nov. 26, 1941, are being granted transferable warrants to subscribe at $100 per share for the 10,625 shares of common stock, at the rate of one share for each 4 shares then held. Warrants expire Dec. 29, 1941. Company reserves right to reoffer for sale, at a price in no event less than $100 per share, such of the 10,625 shares of common stock as are not subscribed for by stockholders in the exercise of the warrants

Proceeds to payment of $830,000 of bank loans, balance for plant and equipment additions and betterments, and for working capital

Registration Statement No. 2-4875. Form A2 (11-4-41)

Effective 4:45 p. m. E.S.T. on Nov. 19, 1941

CHAMPION PAPER & FIBRE CO.

Champion Paper & Fibre Co. registered with SEC $8,500,000 of first mortgage bonds, due Nov. 1, 1956 (interest rate to be filed by amendment); 40,000 shares $5 cumulative convertible preferred stock, no par; and an indeterminable number of shares of no par common stock, to be reserved for issuance upon conversion of the preferred stock

Address—Hamilton, O.

Business—Largest domestic manufacturer of the types of paper known in the trade as white papers and book papers, and is one of the largest domestic manufacturers of coated papers

Underwriters are W. E. Hutton & Co and Goldman, Sachs & Co., both of New York, N. Y.

Offering—The bonds and preferred stock will be offered to the public, at prices to be supplied by amendment

Proceeds will be used to redeem the outstanding aggregate of $8,660,000 of 4¾% sinking fund debentures ($4,125,000 principal amount due 1950, at 104½; $4,535,000 principal amount of the 1938 Issue at 102¼), requiring $8,947,663. Balance of net proceeds will be added to working capital

Registration Statement No. 2-4867. Form A2. (10-25-41)

Amendment Filed—Company has filed an amendment with the SEC to its registration statement disclosing that the bonds would bear interest at the rate of 3½% per annum. The public offering price of the bonds and the preferred stock will be supplied by later amendment

Also disclosed in the amendment is the names of the underwriters for the bonds and preferred stock, together with the amount of each issue underwritten by each, as follows (all of New York City, unless otherwise indicated):

	Prin. amt. of bonds	No. of shs. of pref. stk.
W. E. Hutton & Co.	$1,700,000	8,000
Goldman, Sachs & Co.	1,700,000	8,000
R. S. Dickson & Co.	127,000	600
Drexel & Co., Phila.	425,000	2,000
Field, Richards & Co., Cincinnati	85,000	400
First Boston Corp.	425,000	2,000
Harriman Ripley Co.	425,000	2,000
Hemphill, Noyes Co.	255,000	1,200
Hornblower & Weeks	340,000	1,600
Johnson, Lane, Space & Co., Savannah	85,000	400
Kidder, Peabody Co.	765,000	3,600
Kuhn, Loeb & Co.	850,000	4,000
W. C. Langley & Co.	340,000	1,600
Lee Higginson Corp.	511,000	2,400
Piper, Jaffray & Hopwood, Minneapolis	127,000	600
White, Weld & Co.	340,000	1,600

Amendment filed Dec. 9 to defer effective date

CHESAPEAKE CORPORATION OF VIRGINIA

Chesapeake Corporation of Virginia registered with the SEC an unstated number of shares of common stock, $5 par value. Company estimates that the number of shares to be involved is 135,000 shares

Address—West Point, Va.

Business—Company is engaged in the manufacture and sale of sulphate pulp, Fourdrinier kraft board and kraft specialties

Underwriting — Principal underwriters named are: Scott & Stringfellow, Richmond, Va., and Blyth & Co., Inc., New York. Names of other underwriters will be supplied by amendment to the registration statement

Offering—The shares of common stock to be offered under this registration statement are already issued and outstanding, and are to be offered to the public for the account of certain selling stockholders. Public offering price will be supplied by amendment

Proceeds will be received by the selling stockholders

Registration Statement No. 2-4895. Form A2. (11-24-41)

COLUMBIA GAS & ELECTRIC CORP.

Columbia Gas & Electric Corp. registered $28,000,000 serial debentures, due 1942 to 1951, and $92,000,000 sinking fund debentures due 1961

Address—61 Broadway, N. Y. C.

Business—Public utility holding company

Offering—Both issues will be publicly offered at prices to filed by amendment

Proceeds—To redeem $50,000,000 Deb 5s, 1952; $4,750,700 Deb. 5s, due April 15, 1952; $50,000,000 Deb. 5s, 1961; to purchase $3,750,000 4% guaranteed serial notes due 1942-46 of Ohio Fuel Gas Co., a subsidiary, and $3,750,000 guaranteed serial notes of United Fuel Gas Co., a subsidiary, from the holders thereof: and to make a $3,402,090 capital contribution to Cinn., Newport & Covington Ry Co. to enable that Company to redeem its outstanding $3,303,000 1st & Ref. 6s, 1947

Registration Statement No. 2-4736. Form A-2. (4-10-41)

Amendments filed Nov. 18 and Dec. 6 to defer affective date

COMPOSITE BOND FUND, INC.

Composite Bond Fund, Inc., registered with SEC 32,500 shares $1 par common stock.

Address—601 Riverside Ave., Spokane, Wash.

Business — Open-end investment trust, limited to investments in bonds.

Underwriting—Murphey, Favre & Co., Spokane, Wash., is underwriter and distributor, purchasing said shares at the net asset value then in effect for distribution to public at such net asset value plus 8½%.

Offering—To be offered to the public at the then prevailing market price.

Proceeds—Will be used for investment purposes.

Registration Statement No. 2-4825 Form A-1. (8-28-41)

Amendments filed Nov. 8 and Dec. 15 to defer effective date

CROCKER MC ELWAIN CO.

The Voting Trustees of Crocker McElwain Co. registered with the SEC voting trust certificates, to be issued in exchange for a like number of shares of 1,684 shares of 7% preferred stock, $100 par, and 15,000 shares of common stock, $100 par.

The voting trust certificates provide that the voting trust shall continue in effect until Sept. 2, 1944, unless terminated earlier. Unless terminated according to its terms, the voting trust will continue until Sept. 2, 1947.

Voting trustees are Elmer C. Tucker, Ralph H. Morrill, and Joseph K. Holmes.

Address—642 Main St., Holyoke, Mass.

Business—Company is engaged in manufacture and sale of paper, with its mill located in Holyoke, Mass.

Registration Statement No. 2-4858. Form F-1. (10-11-41).

Effective 4:45 p.m., E.S.T., on Nov. 15, 1941.

ELMORE OIL CORP.

Elmore Oil Corp. registered with SEC 14,000 shares common stock, $5 par value of which 1,376 shares have been sold heretofore and rescission offer is made

Address — Stevens-Harle Bldg., Durant, Okla.

Business—Engaged in the oil business, buying, selling oil and/or gas leases; owns and operates certain oil and gas leases and equipment in Brown and Jack Counties, Tex.

Underwriters—None

Offering—The shares will be offered to the public direct by company, at $5 per share

Proceeds will be used for drilling of 5 additional wells, the equipping of a certain lease, and for working capital

Registration Statement No. 2-4864. Form A-1. (10-21-41)

Hearing on suspension of registration statement postponed from Dec. 22 to Jan. 6, 1942

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956; and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami, Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas), serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows: $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

Amendments filed Nov. 27 and Dec. 15, 1941, to defer effective date

HASTINGS MANUFACTURING CO.

Hastings Manufacturing Co. registered with SEC 140,400 shares common stock, $2 par value

Address—Hastings, Mich.

Business—Manufactures and sells piston rings and expanders

Underwriters—Schroder, Rockefeller & Co., Inc., are principal underwriters. Other underwriters are Smith, Hague & Co. and Carlton M. Higbie Corp., Detroit, Mich.

Offering—23,100 shares are unissued and are to be offered to the public for the account of the company; remaining 117,300 shares are outstanding and are to be sold to public for account of certain selling stockholders

Proposed offering as amended: 23,100 shares by company, 105,756 shares by certain stockholders

Public offering price is $9.50 per share

Proceeds to company will be used for general corporate purposes, including purchase of new equipment and for working capital

Registration Statement No. 2-4890. Form A2. (11-19-41 Cleveland)

HOUSTON LIGHTING & POWER CO.

Houston Lighting & Power Co. registered with SEC an indeterminate number of shares of its common stock, no par. (Company has outstanding 500,000 shares of common stock, of which 499,987 shares are held by its parent National Power & Light Co., which latter company also holds options to purchase the remaining 13 shares of outstanding common stock of company).

Address—900 Fannin St., Houston, Tex

Business—Company is an operating public utility company principally engaged in generating, transmitting, distributing and selling electricity at retail and wholesale, serving 150 communities and an extensive rural area in Texas, including cities of Houston and Galveston.

Underwriter—None.

Offering — No public offering contemplated initially. Company is advised by National Power & Light, that that company has filed with SEC a declaration under the Holding Company Act contemplating, initially, the exchange of common stock of company which National Power & Light owns, for the $6 preferred stock of National Power & Light Co. and also contemplating that if, upon termination of such proposed exchange plan, National Power & Light still holds as much as 5% of common stock of company, it will dispose of such holdings as promptly as shall be practicable in light of then market and other conditions and with the best interests of its security holders in mind. After such disposition, company will have ceased to be either a subsidiary or an affiliate of National Power & Light Co. or Electric Bond & Share Co.

Registration Statement No. 2-4827 Form A-2. (8-29-41)

Company filed amendment (Nov. 28, 1941) with SEC disclosing the terms under which its 500,000 shares of no par common stock, outstanding and owned by National Power & Light Co., would be offered in exchange for the outstanding $6 preferred stock (279,716 shares) of National Power & Light Co. National Power & Light is offering to each holder of its $6 preferred stock the right to exchange all or any part of his holdings of $6 preferred stock, in full share amounts up to 90% of such holdings, for common stock of Houston Lighting & Power Co. on the basis of two shares of Houston common for one share of National $6 preferred stock. Expiration date of exchange offer will be supplied by amendment. Exchange agents are Bankers Trust Co., New York, and First National Bank, Houston, Tex. The exchange offer is permitted as a step preparatory to dissolution of National Power & Light Co.

Amendment filed Dec. 16, 1941, to defer effective date

ILLINOIS COMMERCIAL TELEPHONE CO

Illinois Commercial Telephone Co. registered with SEC $5,750,000 of first mortgage 3⅜% bonds, due Oct. 1, 1971; and 24,000 shares of $5 cumulative preferred stock no par

Address—607 E. Adams St., Springfield, Ill.

Business—This subsidiary of General Telephone Co. is engaged in providing, without competition, telephone service to 180 communities and surrounding territories in Illinois, including Kewanee, Monmouth, Macomb, Lincoln, Belvidere, Harrisburg, Olney, Mendota and Mt. Carmel

Underwriters, and amount of bonds and preferred stock underwritten by each, follow:

	Amt. of Bonds	No. of Shs. of pfd. stk.
Bonbright & Co., Inc., New York	$2,875,000	12,000
Paine, Webber & Co., New York	2,156,000	9,000
Mitchum, Tully & Co., Los Angeles	719,000	3,000

Offering—Bonds and preferred stock to be offered to the public at a price to be supplied by amendment to the registration statement

Proceeds from sale of the bonds and preferred stock, together with $105,000 received from sale of 7,000 additional shares common stock, will be used in part to retire following securities of company: $5,750,000 First Mortgage Series A 3¾% bonds, due June 1, 1970, at 105½; 17,098 shares $6 preferred stock, at $110 per share; 1,108 shares $6 preferred stock, owned by parent company, at latter's cost Balance of net proceeds will be used to purchase from General Telephone Corp the outstanding capital stocks of Central Illinois Telephone Co. and Illinois Standard Telephone Co., to make additions and betterments to company's plant and property, and for other corporate purposes

Registration Statement No. 2-4866. Form A2. (10-24-41)

Amendments filed Nov. 26 and Dec. 15, 1941, to defer effective date

KANSAS-NEBRASKA NATURAL GAS CO., INC.

Kansas-Nebraska Natural Gas Co., Inc., registered with SEC 48,468 shares common stock, $5 par value

Address—Phillipsburg, Kan.

Business—Company is an operating public utility company engaged in the purchase of natural gas in Kansas, and in its transmission and wholesale and retail distribution in the States of Kansas and Nebraska

Underwriting—Names of underwriters, and number of shares underwritten by each, are as follows: First Trust Co., Lincoln, Neb., 11,108 shares; Harold E. Wood & Co., St. Paul, Minn., 15,132; Estes, Snyder & Co., Inc., Topeka, Kan., 10,012; United Trust Co., Abilene, Kan., 5,552; Beecroft, Cole & Co., Topeka, Kan., 6,664

Offering—The 48,468 shares are subject to purchase, under certain options, by the above underwriters, from the company, at a price of $5.4545 per share for a block of 8,468 shares, and at a price of $5.50 per share for the remaining 40,000 shares. The underwriters, upon exercise of their various options, propose to reoffer such shares to the public at a price of $6.50 per share

Proceeds will be added to working capital of company

Registration Statement No. 2-4894. Form A2. (11-24-41)

Effective—4:45 p. m., E.S.T., on Dec. 11, 1941

KEARNEY & TRECKER CORP.

Kearney & Trecker Corp. filed registration statement with SEC for 198,083 shares common stock, $3 par value

Address—6784 W. National Ave., West Allis, Wis.

Business—Manufactures and sells milling machines, which are machine tools widely used in industry for the facing, removal and shaping of metal through the application of a multiple toothed rotating cutting tool to a work piece secured to a moveable table

Underwriters—Blyth & Co., Inc., New York, and The Wisconsin Co., Milwaukee, Wis., are named principal underwriters, others will be named by amendment. Underwriting commission will be $3.50 per share

Offering—The shares registered are already outstanding and are to be sold to the public for the account of certain selling stockholders: public offering price will be supplied by amendment. Proposed maximum offering price, based on the SEC filing fee, is $30 per share

Proceeds will be received by the selling stockholders

Registration Statement No. 2-4904. Form S2. (12-2-41)

KENSINGTON MINES, INC.

Kensington Mines, Inc. has filed a registration statement covering 565,000 shares of $1 par 6 per cent cumulative preferred stock and the same number of shares of 1 cent par common 35,000 shares of $1 par 6 per cent cumulative preferred shares previously sold to promoters at $1 and 1,320,000 shares of 1 cent common previously sold to promoters at 2.63 cents a share

Address—Seattle, Washington

Business—Mining and Milling

Proceeds — For property, construction development and working capital

Underwriters—Kressly and Campbell

Registration Statement No. 2-4697. Form A-1. (3-21-41)

Effective—4:45 P.M., E.S.T., April 9 1941

KIRKLAND GOLD RAND, LTD

Kirkland Gold Rand, Ltd., registered with SEC, under refiling, 500,000 shares common stock $1 par

Address—360 St. James St., West, Montreal, Quebec, Canada

Business—Engaged in development, acquiring, holding, selling and operating gold, silver and other mineral mines. Company is still in the development stage

Underwriters—To be named by amendment

Offering—Above shares to be offered to public at $1.25 per share; underwriting commission is 43¾ cents per share

Proceeds—For development, purchase of equipment and working capital

Registration Statement No. 2-4727. Form A-1. Refiled (6-16-41)

Amendment to defer effective date filed in Cleveland Nov. 28, 1941, and Dec. 8, 1941

LA CROSSE TELEPHONE CORP.

La Crosse Telephone Corp. registered 32,080 shares of common stock, $10 par

Address—La Crosse, Wisconsin

Business—Telephone service to La Crosse, Wis.

Underwriter—Alex. Brown & Sons

Offering—All stock registered will be publicly offered at price to be filed by amendment, except that 2,406 shares will be sold to Central Electric & Telephone Co.

Proceeds—Stock registered is owned by parent company, Middle Western Telephone Co., which will donate a portion to La Crosse Telephone Corp. and latter will use proceeds to retire outstanding preferred stock

Registration Statement No. 2-4717. Form A-2. (3-29-41)

Amendments filed Nov. 19 and Dec. 8, 1941, to defer effective date

McDONNELL AIRCRAFT CORP.

McDonnell Aircraft Corp. registered with SEC 6,453⅙ shares 6% Non-Cumulative Convertible Preferred Stock, $100 par, and 129,063⅓ shares common stock, $1 par

Address — Lambert-St. Louis Municipal Airport, Robertson, Mo.

Business—Engaged in designing and developing aircraft and of manufacturing and selling parts for aircraft; expects presently to engage in business of manufacturing, testing and selling aircraft

Underwriting—None. Securities to be offered by company

Offering—Of the shares registered, the 6,453⅙ shares of preferred and 64,531⅔ shares of common, will be offered to public in units each unit consisting of one share of preferred and 10 shares of common stock, at price of $140 per unit. Remaining 64,531⅔ shares common reserved for issuance on conversion of the preferred

Proceeds for working capital, purchase of tools, machinery and equipment.

Registration Statement No. 2-4844. Form A-1. (9-17-41)

Effective—4:45 P.M., E.S.T., on Oct. 8, 1941 as of 4:45 P.M., E.S.T., Oct 6, 1941.

NORTHERN NATURAL GAS CO.

Northern Natural Gas Co. registered 710,500 shares of common stock, $20 par

Address — Aquila Court Bldg., Omaha, Nebraska

Business—Production and transmission of natural gas

Underwriter—Blyth & Co., and others to be named by amendment

Offering—Stock will be publicly offered at price to be filed by amendment

Proceeds—All proceeds will be received by selling stockholders, United Light & Railways Co., and North American Light and Power Co.

Registration Statement No. 2-4741. Form A-2. (4-21-41)

Northern Natural Gas Co. filed an amendment to its registration statement of shares of its $20 par value common stock proposed to be offered to the public has been reduced from 710,500 shares to 355,250 shares. According to the amendment, such 355,250 shares are those that are presently owned, and outstanding, by North American Light & Power Co., and are to be offered to public for the account of American Light & Power Co.

The 355,250 additional shares orginally registered with the SEC on April 21, 1941, for public offering, and withdrawn from registration were subsequently registered and became effective. These shares constituted the stock outstanding and owned by United Light & Railways Co., a subsidiary of United Light & Power Co.

PANAMA COCA-COLA BOTTLING CO.

Panama Coca-Cola Bottling Co. registered with the SEC 33,750 shares common stock $1 par

Address—19-A Avenue Jose Francisco de la Ossa, Panama, R. de P.

Business—Engaged in business of bottling Coca-Cola and other carbonated beverages and in manufacture of ice-cream and ice, all of which are sold wholesale in the Republic of Panama and in the Canal Zone

Underwriters—Elder & Co., New York, is the sole underwriter

Offering—The shares will be offered to the public at $12.50 per share; underwriting commission is $2.50 per share

Proceeds—Will be used to increase the company's working capital

Registration Statement No. 2-4870. Form S-2 (New Form) (10-29-41)

Effective 3 p. m. E.S.T. on Nov. 25, 1941

PIERCE BUTLER RADIATOR CORP.

Pierce Butler Radiator Corp. has registered with SEC 120,000 shares 5% cumulative convertible preferred stock, $2.50 par value; and 120,000 shares of $1 par common stock, latter reserved for conversion upon issuance of the preferred

Address—701 Nichols Ave., Syracuse, N. Y.

Business—Engaged in manufacture and sale of heating boilers and radiators, steam heating and high pressure boilers, Unaflow engines, radiator valves, boiler gauges and thermometers

Underwriters—None

Offering—The preferred stock will be offered for subscription to stockholders, at par. Unsubscribed portion will be purchased by Max Kalter, director of company, on behalf of a syndicate which he represents. Subscription price is $2.50 per share

Proceeds will be used for payment of certain outstanding bank loans and notes

Registration Statement No. 2-4865. Form A1. (10-23-41)

PITTSBURGH STEEL CO.

Pittsburgh Steel Co. has filed a registration statement with the SEC for $2,000,000 of first mortgage series B 4½% bonds, due Dec. 1, 1950

Address—1600 Grant Building, Pittsburgh, Pa.

Business—Engaged primarily in manufacture and sale of semi-finished steel products, wire products and tubular products

Underwriting—Kuhn, Loeb & Co., and A. G. Becker & Co., Inc., both of New York, each have agreed to purchase $1,000,000 principal amount of the bonds

Offering—The bonds will be offered to the public, at a price to be supplied by amendment

Proceeds to extent of $1,040,000 will be deposited with Trustee and will be withdrawn from time to time in the future against property additions which are now contemplated; balance for working capital

Registration Statement No. 2-4905. Form A2. (12-2-41)

PUBLIC SERVICE CO. OF INDIANA, INC.

Public Service Co. of Indiana, Inc., registered with SEC $42,000,000 first mortgage series D 3⅜% bonds, due Dec. 1, 1971

Address—110 N. Illinois St., Indianapolis, Ind.

Business—Incorporated in Indiana on Sept. 6, 1941, as result of consolidation of Public Service Co. of Indiana, Central Indiana Power Co., Northern Indiana Power Co., Terre Haute Electric Co. and Dresser Power Corp. Company is a public utility operating in State of Indiana and is engaged principally in production, generation, manufacture, purchase, transmission, supply distribution and sale of electric energy and gas, and in the supply, distribution and sale of water.

Underwriting and Offering—The bonds will be sold under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters, and public offering price, will be supplied by post-effective amendment to registration statement

Proceeds, plus other funds of company if necessary will be applied to redemption, within 40 days after issuance of the bonds, of the $38,000,000 of Public Service Co. of Indiana first mortgage series A 4% bonds, due Sept. 1, 1969, at 106½ and accrued interest; and $4,000,000 of the net proceeds will be deposited with the trustee under the series D indenture and will be used in accordance with the provisions of the indenture

Registration Statement No. 2-4893. Form A2. (11-22-41)

Effective—10 a.m. E.S.T. on Dec. 6, 1941

No bids for the purchase of the bonds were received on Dec. 16, 1941

RAILROAD EMPLOYEES CORP.

Railroad Employess Corp. registered with SEC $750,000 5% convertible sinking fund debentures, due Dec. 1, 1956; and undetermined number of shares $1 par class A common stock, reserved for issuance on conversion of the debentures

Number of shares reserved for conversion purposes, 107,142

Address—155 E. 44th St., N. Y. City

Business—Through subsidiaries, engaged in the "small loans" business in New York and New Jersey

Underwriters—E. H. Rollins & Sons, Inc., New York, is principal underwriter; others to be named by amendment

Offering—Debentures will be offered to public, at price to be supplied by amendment

Price supplied by amendment, $98

Proceeds will be added to general funds, and used in part to reduce bank loans and commercial paper

Registration Statement No. 2-4891. Form A2. (11-19-41)

SOUTH CAROLINA INSURANCE CO.

South Carolina Insurance Co. registered with SEC 12,500 shares common stock, $8 par value

Address—1400 Main St., Columbia, S. C.

Business—Engaged principally in the writing of fire insurance

Underwriting and Offering—The shares will first be offered for subscription to present stockholders, under their preemptive rights, at price of $16 per share. Unsubscribed portion of such shares will be offered to public at $18 per share, within 30 days after effective date of registration statement. Underwriters will be named by amendment; underwriting commission will be $2 per share

Proceeds will go directly to capital ($100,000) and the residue to surplus. Company deems it essential to comply with laws of New York State, soon to become effective requiring a minimum capital of $250,000 and with the laws of Massachusetts requiring a minimum capital of $300,000

Registration Statement No. 2-4898. Form A2. (11-27-41)

Amendment filed Dec. 16, 1941, to defer effective date

R. L. SWAIN TOBACCO CO., INC.

R. L. Swain Tobacco Co., Inc., has filed registration statement with SEC for 1,000 shares 6% non-cumulative preferred stock, $100 par; 3,500 shares class A voting common stock, $1 par; and 50,000 shares of class B non-voting common stock, $1 par

Address—108 Market St., Danville, Va..

Business—Manufacture and sale of Pinehurst cigarettes and other brands and smoking tobaccos treated with the company's patented Panax Process

Underwriting—None. Securities will be sold by officers and licensed salesmen of company, and by John W. Yeaman, of Martinsville, Va. Commission to selling agents is $12.75 per share of preferred and 75 cents per share for the class A and B common stock

Offering—The securities will be offered to public at following prices: $85 per share for the preferred stock, and $5 per share each for the class A and class B common stocks. The preferred and class B common may also be sold in units of one share of preferred and 3 shares of class B stock at $100 per unit

Proceeds will be used to purchase a manufacturing plant, equipment, advertising campaign expenses, and for working capital

Registration Statement Nc. 2-4903. Form A1. (12-1-41)

TEXAMERICA OIL CORP.

Texamerica Oil Corp. registered with SEC 119,891 shares common stock, $2 par.

Address — Milam Bldg., San Antonio, Tex.

Business—Engaged in production and marketing of crude oil, acquire mineral leasehold interests in producing or proven oil properties in Texas, drilling of oil wells thereon, acquire royalty interests in proven and developed oil properties.

Underwriter—Willard York Co., San Antonio, Tex., has agreed to purchase 44,750 shares at $1.75 per share and 74,157 shares at $2. from company.

Offering—118,907 shares to be offered to public at $2.375 per share; remaining 984 shares registered constitute shares issued July 1, 1941, by company, as dividends.

Proceeds—Will be used to pay outstanding mortgage indebtedness ($200,000), and remaining $26,628 will be added to working capital

Registration Statement No. 2-4824 Form A-1. (8-27-41)

TIME FINANCE CO.

Time Finance Co. registered with SEC $400,000 10-year 5% sinking fund debentures, due Dec. 1, 1951, and option warrants for 20,000 shares common stock, $1 par value

Address—Louisville, Ky.

Business—Engaged in the "small loan" personal loan business in Kentucky and Minnesota

Underwriting—Underwriters of the debentures are Piper, Jaffray & Hopwood, Minneapolis, and Bankers Bond Co., Louisville, Ky. Underwriting commission is 6%

Offering—The debentures will be offered to the public at 100. Purchasers of each $1,000 debenture will receive an option warrant entitling holders to purchase 50 shares of common stock on or prior to Dec. 1, 1943, at $2.75 per share; purchasers of each $500 debenture will receive option warrants entitling holders to purchase 25 shares of common stock on or before Dec. 1, 1943, at $2.75 per share

Proceeds will be added to working capital

Registration Statement No. 2-4901. Form A2. (12-1-41)

UNION LIGHT, HEAT AND POWER COMPANY

Union Light, Heat and Power Co. registered 25,000 shares $100 par common stock

Address—4th & Main St., Cincinnati Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp

Offering—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.32 for each unit. On a share basis, stockholders may subscribe to 5 new shares for each share held at $100.016 per share Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

Proceeds—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and for construction costs

Registration Statement No. 2-4379. Form A-2. (3-30-40)

Amendments filed Nov. 25 and Dec. 13, 1941, to defer effective date

UNITED WHOLESALE DRUGGISTS OF PITTSBURGH, INC.

United Wholesale Druggists of Pittsburgh, Inc., registered with the SEC 4,000 shares no par common stock

Address—6543 Penn Ave., Pittsburgh Pa.

Business—Incorporated in Delaware on April 28, 1941, to engage in business of selling drug store merchandise

Underwriting—None

Offering—The 4,000 shares of common stock will be sold by the company direct to (exclusively) retail druggists, at $50 per share

Proceeds—Will be used for purchase of equipment, and for working capital

Registration Statement No. 2-4818 Form A-2. (8-22-41)

Effective—Oct 7, 1941 at 11 A. M., E.S.T

VIRGINIA LAND CO.

Virginia Land Co. registered warranty deeds representing interests in oil and gas lands in the Everglades, Florida, about 50 miles west of Miami

Address—Theatre Building, Coral Gables Dade County, Florida

Underwriters—None

Offering—Interests will be sold to the public at prices from $20 per acre up to $150 per acre

Proceeds — For development of lands, purchase of equipment, and working capital

Registration Statement No. 2-4767. Form S-10 (5-23-41)

Effective—Under notice of deficiency 4:45 P.M., E.S.T., Sept. 21, 1941.

Over-The-Counter Dealer Must Unite

(Continued from Page 1647)

We cannot think of a reason, nor can we find anyone who can tell us a reason why this is sound practice from the standpoint of the government, the security dealer, or the prospective customer.

The Federal Government sanctions and encourages our aiding the defense program by obtaining private capital for such projects as Vultee Aircraft, Maryland Dry Dock, and hundreds of others, but refuses to allow sufficient profit on our day to day business to keep our doors open so that we can stay here to do our part toward financing the expansion of emergency production now, and help the normal flow of private capital into manufacturing enterprises when peace comes to the world again.

The function of the investment banker is a logical and absolutely necessary link in the normal economic cycle of any healthy, well organized and operated democracy, as we still believe these good United States to be.

This narrowing of spreads in quotations of unlisted securities in the daily papers is just one more yank at the noose which is strangling the business of the investment banker. Keep on and there can only be one ultimate result. The government will force us out of business. They cannot afford to do this, and we do not really believe they want to.—*DeWitt C. Ramsay (Bridgeport), W. R. Bull & Co., Inc.*

It is necessary to preserve at whatever cost, the judicial approach to the recent compromise effected with pressure, between the SEC and the National Association, resulting in the narrowing of the quoted spreads between bids and askeds in the over the counter market. The value of a judicial mind in the very practical business of dealing in securities we need not examine, perhaps, too closely. The reasoning might get pretty involved in view of the history of the personnel of the regulatory authority.

However that may be, I cannot escape the conclusion that the practical effect of this most recent restriction, will be retirement from the field of both markets and marketers. . . .—*J. S. Westbrook (Bridgeport).*

Your editorial entitled "Over-the-Counter Dealers Must Unite" was of great interest to us. We have found that in a great many instances it has been practically impossible to do business based on the quotations appearing in the newspapers. We have recommended the disposal of a great many securities during the past few months for the purpose of establishing losses for income tax purposes as well as for other reasons. In several cases we were unable to obtain the bid which appeared in the newspaper despite the fact that there had been no change in the actual "inside" quotation. In one instance in particular the security had actually declined on the day we were attempting to sell but despite this fact the following morning's papers advanced the bid one-eighth point. We could cite many instances where the bid published by the newspapers is exactly the same as the actual bid.

While we have not found the offering side of the market quite so much of a problem nevertheless in many instances the margin of profit permitted by newspaper quotations is so small that there is little if anything left after the execution of an order.

We believe that the narrowness and inaccuracy of most newspaper quotations has not only harmed the over-the-counter business but has injured the investor as well. During the past months on two occasions customers have insisted on receiving the published bid which we were unable to obtain, consequently their securities were not sold and have since declined substantially. Any steps which may be taken to remedy this situation will have our heartiest approval.—*Russell H. Cranage (Philadelphia), E. M. Fitch & Co.*

The trading or secondary or digestive period of the securities originally sold by the Underwriters carries over—not days or weeks or months—but over years of time and requires the constant wholehearted cooperation of Company management, Underwriters and every distributing dealer's cooperation it is possible to enlist.

If distributing dealer's cooperation is neglected, as it will be if it is not profitable, the original investor is the loser since he will find he can only sell his holdings at a serious loss. This, in turn, reflects on the Underwriter whose future wares will be looked on with doubt and suspicion and finally the management of the Company is blamed because its securities do not enjoy a market in which the Company's bondholders or stockholders can, if need be, liquidate their holdings.

Only if and when this part of the securities business is profitable will it reflect to the credit and profit of Company, Underwriter and the investing public at large. For unless it is profitable, it will not permit any dealer, either Underwriter or distributor to continue their interest in the issue and the issue must, of its own weight, fall in price and eventually become one of the unknown and inactive issues of which there are today, far too many. This is a detriment to the Securities business as well as to any company.

We know the problems of the Securities dealers and their salesmen. We know for instance, that vast numbers of them travel a radius of hundreds of miles from their offices to visit their clients. This costs gas, insurance, hotel expenses, meals and then these calls mean more work and expense by supplying the client with statistical data and other information.

Some will say "Well, let the dealers confine themselves to the popular, easily sold, high grade issue." Fine, but what becomes of new business enterprises? Let's not forget that. Many, if not all of these high grades of today had their promotional stages, their underwritings and secondary market states. Let us not overlook that the stock of the predecessor of the great A. T. & T. of today was once traded at less than one dollar a share. Let us not forget that the acorn of today is the giant oak of tomorrow.

Let us not forget that in the development and building of industry the security dealer has a distinct function to perform and that his services should be as justly compensated as are those of the promoter or underwriter.

Let us not allow the destruction of the securities business from within its own ranks by curtailing profits to ridiculous maximums on which 90% of the industry can't exist.

A clear sample of how the curtailment of profits works is the example of one Midwestern state where formerly some one thousand registered dealers functioned employing some eight thousand salesmen. Today there are less than three hundred dealers and less than fifteen hundred salesmen registered in this state.

The surest way to kill the over-the-counter business is to set a ridiculous maximum profit, too small to support even a dealer's office boy.

If the NASD is to furnish the bid and asked prices on each security to the press let them do so with a sufficient spread under and over the inside prices to make it profitable for the dealer to do business. The public will then know what it can expect to pay for a security and what it can realize if it sells. If the dealer, by good fortune, can better these prices and still make the profit he requires to continue in business, that is to the benefit of both the dealer and the public.

We believe each dealer is the best judge of what profit he needs to maintain his organization.

Let us all cooperate to keep ourselves in business. Let us adopt a united policy and stick to it. For years this business has suffered for the want of cooperation. Let us cooperate in regulating that living wage on the decent standard of living that is American.—*Anonymous (New York City).*

In connection with your article of December 18, 1941 regarding newspaper quotations, we agree heartily that proper recognition should be given in quotations for a reasonable profit to dealers in the over-the-counter market. There have been a great number of quotations in the past several months, particularly emphasized during the past few weeks, that allowed no leeway for profit, or a very small leeway which was not a satisfactory amount to permit a fair profit to dealers.

We are not in the grocery business or any other business which has a variety of merchandise on hand to sell, to answer any request. It has been our practice to examine securities by way of manuals—Standard & Poor's sheets, etc.—and then make personal visits to plants to determine at first-hand the condition of plants and machinery, etc., and as far as possible determine working conditions, labor contracts, orders on hand, inventory, class of business as to necessary or unnecessary character, and secure as much other information as possible which, in our opinion, will affect the value of the stocks or bonds of the company.

After a complete report of this kind, we are in a much better position to recommend purchase or sale.

During the past two years we have visited probably forty plants, scattered from Connecticut to Alabama, and west as far as Illinois, Michigan, etc.—and this costs money.

We could not stay in business charging quarter point gross profits on securities and don't intend to try. This condition, however, should be considered by both the NASD and the SEC. They should know these conditions and make provisions for them.

Going one step further, who pays for the financial services, telephones, teletypes, draft charges, taxes, clerks, salesmen's salaries, etc.—certainly not a quarter of a point.

Several actual instances give an indication of what the dealer has been up against.

On December 15, 1941 we actually made two purchases of Buckeye Steel Castings Common Stock, one purchase at 16½ and one purchase at 16¾. At this time the inside quotations by dealers were 16½ bid, offered at 16¾ and, in a number of instances, 16¼ bid, offered at 17. Yet, the "Philadelphia Enquirer" on December 16 quoted the stock ex dividend 50c—15⅞ bid, offered at 16⅜.

General Machinery has had an actual dealer's quotation during the past several days of from ¾ of a point spread to as high as 1¼ points spread. We actually purchased stock at ¾ of a point and 1 point above the bid prices. Yet, the "Inquirer" on December 16 quoted the stock 27⅞ bid, offered at 29⅜.

Wickwire Spencer Steel Company on December 18 was qoted in the "Inquirer" 10½ bid, offered at 11⅛. The best prices at which we could buy stock were ¼ and ⅜ above the bid. There was a ⅜ spread in the stock, although it was possible at some periods during the day to close the spread to ¼ of a point.

We selected these three stocks as typical, because in these three cases we have visited the plants on several occasions.

We know what our costs are, and we know that we can not conduct our business and show a profit by making a gross profit of ¼ of a point in transactions. While we are very glad to execute orders, as a broker, on this basis, where we are not put to any additional expense in selection of securities, etc., we must insist upon a reasonable profit, where we go to the expense and trouble of determining the value of the securities we offer for sale, and checking markets out of town to secure best prices.

We believe the tendency of the past several years to reduce the spreads between bid and ask prics, as quoted in the newspapers, is a healthy condition but, as often is the case, the tendency has gone too far, and paper quotations today do not offer a good indication of bid and ask prices with any fair allowance given for dealer profit.—*J. F. Waters (Philadelphia), Dawkins, Waters & Co., Inc.*

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S. F. Bond Club Holds Party During Blackout

SAN FRANCISCO, CALIF.—The San Francisco Bond Club held its final meeting for 1941 on Dec. 12. The evening had been planned as a Christmas party featuring dinner and a stage show depicting an old San Francisco night of the Gay Nineties, but shortly after the beginning of the party members attending found themselves in the midst of a two and one-half hour blackout. Practically all the members remained through the blackout, with the aid of music by the orchestra, and dinner and the show continued at about 10 o'clock, and were enjoyed by all.

The officers elected for the new year are:

President: Russell Hodge, Wm. R. Staats Co.

Vice-President: Waite Stephenson, Brush Slocumb & Co.

Secretary-Treasurer: Edwin F. Kirchen, Crocker First National Bank of San Francisco.

Two new directors elected are: Joseph Fuller, Franklin Wulff & Co., and Francis Watson, Blyth & Co., Inc.

Forrest C. Lattner To Be Lazard Freres Partner

Forrest C. Lattner, who has been associated with Lazard Freres & Co., 120 Broadway, New York City, members of the New York Stock and Curb Exchanges since 1934, will be admitted as a general partner in the firm as of Dec. 31.

Mr Lattner has been in charge of the corporate trading department of Lazard Freres & Co. for the past three years, and prior to that he was in charge of an institutional department of the firm. His experience in the investment banking field covers a period of 15 years, eight of which were spent with the Guaranty Company of New York.

Gilbert And Sullivan Are F. L. Putnam V.-Ps.

BOSTON, MASS.—Allyn T. Gilbert and John E. Sullivan, Jr., have been elected vice-presidents of F. L. Putnam & Co., Inc., 77 Franklin Street. Mr. Gilbert became connected with the firm in 1931 as manager of the Vermont office, being transferred to Boston as sales manager in 1934. Mr. Sullivan has been with the organization since 1933 and is manager of the trading department.

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To All Of Our Business Friends . . .

Thank you *sincerely* for your favors to date.

At the end of 1942, we hope our business relationship will be one of *even closer cooperation and greater confidence*, due to its having met the additional test of the vicissitudes of another year.

Actual markets in a wide range of

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THE BOND SELECTOR

THE OUTLOOK FOR BONDS

Last week we noted that the rising yields on short term Treasuries spreading over a period of ten weeks prior to the Japanese attack were reminiscent of the action of similar issues in the latter part of 1936. It was stated that such action might well have presaged a bearish outlook for high grade bonds. However, the Japanese attack and ultimate war declaration have obviously served to require more careful scrutiny of underlying currents which may, and undoubtedly will, determine the future course of money rates and bond prices.

The four factors which were then examined as tending to influence lower prices and an equal set of arguments pointing toward continuation of high prices might be outlined as follows:

For Lower Prices

1. The reduction of excess reserves and the removal of certain factors formerly tending to increase them.
2. The probable demand for an enormous volume of funds for the armament program.
3. The increase in the price level and the resulting reduction of purchasing power.
4. The imminence of actual belligerency (which, of course, has now arrived).

Against Lower Prices

1. The enormous volume of actual and hidden reserves of funds plus the large amount of currency in circulation.
2. The power of Federal authorities to control reserve requirements and to *plan* to a considerable degree the kind of bond market they desire. Obviously, the financing program must cost as little as possible.
3. The opinion that private demand for funds will decrease rather than increase in 1942. This factor is based largely on the belief that businessmen will become increasingly chary of creating new long term debts.
4. The fact that high grade bonds have remained at high levels in virtually all belligerent countries due mainly to (1) government monetary policy and (2) the pessimism of business men and their unwillingness to place capital in long term enterprises.

Although common sense leads to the inevitable conclusion that the bond market is headed for a fall, a careful weighing of the pros and cons results in the belief that this may not occur for a long time to come.

One of the factors as responsible as any other for the continuation of the high level of bond prices during the past several years has been that the demand for bonds has far exceeded the supply. The amount of funds raised by new bond offerings in this period has been negligible, the bulk of the issues representing refunding on lower bases. The outlook is for a continuation of this situation inasmuch as the expansion to take place in new plants will largely be amortized out of earnings and financed by governmental agencies. Institutional funds, consequently, will continue to seek the best quality issues available, whose supply will not be augmented to any appreciable degree.

Considerable emphasis has been placed upon the rising price level and the resulting inflationary effect upon bond prices. That a rising price level necessarily means larger profits and a higher stock market (and therefore that a more suitable haven for funds is in equities) is not necessarily axiomatic. It is entirely possible to envisage a sharp increase in all commodity prices but a net reduction in profits through the action of taxes.

It appears to follow, then, that the possibility of substantial funds flowing from bonds into common stocks depends upon the assurance of the maintenance or betterment of the profit level inequities. The Administration now in power—aside from motives ascribable to war conditions—has always been opposed to "excessive profits," has always been at odds with businessmen, and until this philosophy of governmental control changes, the outlook for high stock prices will be confined within rather narrow limits. This point is basic and importantly related both to bond prices and to the profit outlook for stocks.

To our friends in the investment business we extend the Season's Greetings and best wishes for the New Year.

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Graham, Parsons Co., NYSE Firm, Merging

Williams & Southgate, 25 Broad Street, New York City, members of the New York Stock and Curb Exchanges and the Boston Stock Exchange, and Graham, Parsons & Co., 1421 Chestnut Street, Philadelphia, Pa. will merge early in 1942 under the name of the latter firm.

John S. Williams, Irving A. Chapman and William M. Carson, present partners of Williams & Southgate, will become partners in Graham, Parsons & Co. with which several members of the New York and Boston offices of the former firm will also be associated.

Offices will be maintained in New York City, Boston, Philadelphia, Pittsburgh, Reading and York, Pa.

Alcock, Hill & Co. Is Formed In Boston

BOSTON, MASS.—Thomas R. Alcock and Kenneth B. Hill have formed Alcock, Hill & Company with offices at 75 Federal Street, to engage in a general securities business. Partners of the new organization were both foremrly with Southgate & Co., of which Mr. Alcock was manager of the municipal department. In the past, Mr. Hill was sales manager for Lyons & Co. and Mr. Alcock was with Hale, Waters & Co., Inc., and was local manager for L. S. Carter & Co., Inc.

Frank Schumann Now Paine Webber Partner

Frank R. Schumann, member of the New York Stock Exchange, has become a partner in Paine, Webber & Co., members of the New York Stock Exchange and other leading national exchanges. Mr. Schumann is making his headquarters at the firm's New York office, 25 Broad Street. He was formerly a partner in Winthrop, Mitchell & Co. and in the past a partner in Clark Williams & Co.

John W. Foster has withdrawn from partnership in Paine, Webber & Co.

J. Cronin A Partner In Schoellkopf, Hilbert

John P. Cronin has been admitted to partnership in Schoellkopf, Hilbert & Co., 70 Niagara Street, Buffalo, N. Y., members of the New York Stock Exchange. He will make his headquarters in the firm's New York City office, 120 Broadway, and will act as alternate on the floor of the Exchange for William T. Emmet, under Section 15, Article IX.

Pierre Stralem To Be Hallgarten Partner

Pierre Stralem, member of the New York Stock Exchange, will be admitted to partnership in the firm of Hallgarten & Co., 44 Wall Street, New York City, members of the New York Stock Exchange and other leading Exchanges, on Jan. 1. Mr. Stralem has been engaged in business as an individual floor broker.

Carl Naumburg To Be Stern Lauer Partner

As of Jan. 2, 1942, Carl T. Naumburg will be admitted to partnership in Stern, Lauer & Co., 30 Pine Street, New York City, members of the New York Stock Exchange. Mr. Naumberg was formerly a partner in Faroll Brothers and prior thereto was a partner in Naumburg & Reynolds and Townsend, Graff & Naumburg.

Wertheim Will Admit Geo. Jones As Partner

George S. Jones will become a partner in Wertheim & Co., 120 Broadway, New York City, members of the New York Stock Exchange and other leading national stock and commodity exchanges, on Jan. 1. Mr. Jones has been connected with Wertheim & Co. since 1932.

Bertram Goldsmith To Be Ira Haupt Partner

Betram M. Goldsmith, for many years associated with Ira Haupt & Co., 39 Broadway, New York City, members of the New York Stock Echange, as manager of the bond department, will become a partner in the firm on Jan. 2.

James Colthup To Be Freeman Co. Partner

James F. Colthup, who has been associated with Freeman & Co., 30 Pine Street, New York City, since 1921 will be admitted as a general partner in the firm at the first of the year. Mr. Colthup has been in their Equipment Trust Department and has been active in their new business and underwriting departments.

W. Scott Linn To Be Partner In Shields Co.

CHICAGO, ILL.—W. Scott Linn will be admitted on Jan. 2, 1942 to partnership in the New York Stock Exchange house of Shields & Co., which maintains a local office at 135 South La Salle Street. Mr. Linn has been connected with the firm in Chicago for a number of years.

Defaulted RR Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: High—34 5/6, low—14¾, last—28½.

Final Edition THURSDAY In 2 Sections – Section 2

The COMMERCIAL & FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 154 Number 4024 New York, N. Y., Thursday, December 25, 1941 Price 60 Cents a Copy

On The Foreign Front

European Stock Markets

Cheerful sessions were the rule on the London stock market this week, for the unfavorable war news from some fronts evidently was more than offset, in British opinion, by favorable developments elsewhere. The Libyan campaign and the arrival of Prime Minister Churchill in Washington were especially heartening to London. A rally developed which extended to virtually all groups of issues and tended to offset losses established late last week.

The British market was far from a one-way affair, when considered over the period of a week. The Hong Kong and Malayan situations were regarded as far from comfortable, and produced serious set-backs in securities during the latter half of last week. A general hardening tendency developed in the pre-holiday trading, however, on soothing reports of the Washington conversations, and brilliant successes in Libya.

Delayed reports of French securities markets indicate an almost complete cessation of speculation, and ever sterner regulation of prices and trading. Heavier taxes, when combined with the trading restrictions, are almost strangling the markets. Demand for securities far outweighs supply, obviously because of the flight from currency, and only a single share sometimes is assigned to a purchaser on a large buying order. There are no reports currently available regarding trends in Axis country markets or in those of the occupied countries.

Planning And Strategy

Immediately upon the projection of the United States into the World War it was evident that over-all planning and a strategy commensurate with the scope of the conflict would have to be worked out by the leaders of the United States and the Allied Nations. A long step toward that end was taken, Monday, when Prime Minister Winston Churchill arrived in Washington, for White House conferences with President Roosevelt. A statement issued when Mr. Churchill arrived by airplane indicated that spokesmen of the Russian, Chinese, Nether-

(Continued on page 1662)

FROM WASHINGTON AHEAD OF THE NEWS

The ordinary fevered minds of men of any importance become ten times more fevered in war time. There is very little of any such thing as real knowledge. The reporter who wants to stick to facts is in an impossible position. No one person knows what is actually happening, not even the generals or admirals in command, or those of the supreme councils over them. One of the most unreliable phases of such times are those engaged in espionage and counter espionage. These people are by nature intriguers and when engaged in the excitement of war it is never known whether they are honest or dishonest or reliable and as a result there is a protective espionage against the very men engaged in espionage, and no certainty that the former are reporting the truth, whether their shortcoming be lack of ability or downright dishonesty.

The point is that in war time everything becomes turmoil. The actual truth is nowhere to be definitely found. Just as any two people witnessing an accident will give two honestly different accounts, so will the generals in actual command of an engagement be confused as to what really happened. Men engaged in war are not calm, meditative or deliberate men who can carry a subject through to rationalization. In later years the people or rather the students, learn what very likely happened by studying the writings of the various men engaged.

In the meantime, probably the greatest abuse of wartime governments is that of censorship. It is used to cover up the inefficiency of the government. It has, thus far in this country, been carried to a ridiculous extreme.

A prime example is Churchill's arrival. On Monday night it was announced that he and Lord Beaverbrook were in the White House. Five hundred newspapermen, including Canadian and

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One Reader Says...

"The Financial Chronicle has been so useful that we have had the copies bound and kept for reference."

Running through our correspondence, we find a subscriber whose file of bound copies dates back to 1887—another to 1906—and still another to 1880. Can there be any doubt in your mind about the value of binding your copies of the Financial Chronicle, of having at your finger tips a complete record of all important financial developments? The new Financial Chronicle was designed for binding. With the larger page size, bound volumes will be thinner, will open flat and will be easier to handle.

This is merely a suggestion—passed along to you because we want you to get full value from your subscription to the Financial Chronicle.

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Construction In Chemical Industries

Contracts awarded on current construction projects in the chemical process industries total $77,737,000, "Chemical & Metallurgical Engineering" reports in its December issue. Current proposed work totals $141,778,000, while cumulative contracts awarded so far this year amount to $867,813,000, adds this publication, which further states:

"In addition to large proposed projects for the War Dept., the outstanding private proposed works reported are: for the construction of a chlorine and sodium nitrate plant, a dry ice plant and ammonia and chlorine plant at Lake Charles, La., for Mathieson Alkali Works, at an estimated cost of $6,000,000, $250,000 and $1,000,000, respectively; construction of a plant for charcoal distilling and acetic acid and wood alcohol by-products at Rusk, Texas, for Judge B. Perkins & Associates, at an estimated cost of $2,500,000.

"Principal awards for private industrial construction are: Construction of a magnesium refining plant at Austin, Texas, for the Union Potash Co., at an estimated cost of $11,747,000; construction of a catalytic cracking plant at Linden, N. J., for the Standard Oil Co. of N. J., at an estimated cost of $4,000,000; construction of a gasoline or recycling plant at Katy, Texas, for the Humble Oil & Refining Co., at an estimated cost of $2,600,000 and $800,000, respectively."

THE FINANCIAL SITUATION

The first few weeks or months after a new Congress and a new President take office are often referred to as the "honeymoon" period of the new Administration. There is usually at least outward harmony among the various party elements during this interim, and matters appear to be proceeding smoothly without hard feelings or bickering. Before long, however, the new President or Congress or, usually, both, begin to think of politics, often in the meaner sense of the term. The President has debts to pay, and so does each of the newly elected Congressmen. There may not be enough patronage and the like to go around, and all manner of local and petty considerations enter the picture through the persons of representatives of small constituencies throughout the country. The period of intra-party storm and strife has arrived, and able statesmanship and strong leadership are needed to save the day.

There are indications that the defense "honeymoon period" is approaching its end—as was inevitable. For a short period after the attack at Pearl Harbor the nation, save for obvious and well-warranted dissatisfaction with what had occurred in Hawaii, outwardly at least, appeared to be united almost to a man for the effort that was (and is) plainly required to bring this war to a successful conclusion. Leaders, in the ranks of labor as well as elsewhere, crowded upon one another's heels to avow their readiness to forget all save the most vigorous preparation for and conduct of the war into which we had been plunged. The so-called isolationists had nothing to say about the circumstances which really led us into war (a subject which some day, of course, must again arise) and turned their attention to the urgent matters which now must be the concern of all. They have as yet shown no observable disposition to revert to pre-Pearl Harbor differences despite the fact that they have had provocation, but other elements with no such history of opposition to the foreign policy of

(Continued on page 1659)

Attention, Mr. President

The employer members of the conference accept the President's direction for peaceful settlement of disputes and the establishment of a War Labor Board.

We believe that, in determining the procedure of the board, consideration should be given to the principle we have consistently maintained—namely, that the board should not accept for arbitration or consideration the issue of the closed shop, requiring a person to become or remain a member of a labor organization if he is to get or hold a job.

We recommend that, for the duration of the war, employers shall not attempt to change the terms, in present contracts, which provide for the closed shop. Where a closed shop contract does not now exist, it may under the law be arrived at by voluntary negotiation. We endorse without reservation the right of labor to organize and bargain collectively.

But it would be a serious mistake to abandon the principle that the right to work should not be infringed by government through requirement of membership in any organization, whether union or otherwise.

***The closed shop is the most highly controversial and emotional question in industrial relations today. To accept it as an issue for government arbitration would intensify agitation, increase labor disputes and divert the energy of both labor and management from the vital job, production. Unless this issue is resolved in advance, it will impair the effectiveness of the proposed War Labor Board itself. From our experience we are convinced that the continued presentation of this issue before government agencies would seriously impair the nation's productive activities.*—Industrialist members of the President's Industry-Labor Conference.**

These observations seem to us to speak for themselves. We commend them to the attention of the President.

1942 Cotton Allotments About Same As 1941

Preliminary State cotton acreage allotments totaling approximately 26,598,000 acres for 1942, were announced Dec. 16 by the Department of Agriculture. These allotments do not include acreage increases to be made to growers under the minimum farm allotment provisions of the Agricultural Adjustment Act. In its announcement the Department also said:

> The 1942 State cotton acreage allotments are about the same as those of 1941 and will result in an allotted acreage of approximately 27,400,000, after the minimum allotment provisions have been applied.
>
> In 1941, final allotments totaled approximately 27,400,000 acres, but only 23,250,000 acres were planted, resulting in an estimated crop of 10,976,000 bales.
>
> The acreage allotment is part of the three-point program, which includes also marketing quotas and commodity loans. The program is designed to adjust production and marketings to meet present and future needs.
>
> The State allotments will be used as a basis for calculating farm acreage allotments under the 1942 Agricultural Conservation Program. By complying with these allotments, farmers may earn conservation payments amounting to 1.25 cents a pound on the normal yield of the farm's allotted acreage. Parity payments also are conditioned upon compliance with the allotments.
>
> Farm allotments also will be used in determining marketing quotas. Continuance of marketing quotas for cotton in 1942 was assured on Dec. 13, when farmers, according to incomplete returns voted by approximately 94% in favor of their retention. Quotas have been in effect since 1938.

* * *

United States Imports Of Oil From Venezuela

Preliminary reports from the collectors of customs show imports of 1,807,909,065 gallons of crude petroleum, topped crude petroleum, and fuel oil the produce or manufacture of Venezuela entered, or withdrawn from warehouse, for consumption during the period Jan. 1 to Dec. 6, 1941, inclusive, the Bureau of Customs announced on Dec. 18.

Under the terms of the Presidents proclamation of Dec. 28, 1940, not more than 1,913,049,600 gallons the produce or manufacture of Venezuela may be entered or withdrawn from warehouse, for consumption at the reduced rate of import tax of ¼ cent per gallon provided for in the trade agreement with Venezuela during the calendar year 1941. Such imports in 1941 in excess of the quota will be dutiable at the full rate of import tax of ½ cent per gallon.

In order to provide for the control of this quota the collectors of customs have been instructed that, effective Dec. 22, 1941, entries and withdrawals for consumption covering Venezuelan petroleum and fuel oil may be accepted at the reduced rate, provided the merchandise is not released pending determination of its quota status. If release of the merchandise is desired before determination of the rate applicable, importers will be required to deposit estimated duties at the full rate. Excessive duties deposited on such merchandise found to be within the quota will be refunded.

Editorial—

"Once Upon A Time"

Instructive legend, simply told, is appropriate to the Holiday Season. It should have more than a bare substratum of truth, not too subtly concealed. As its active principle, it should convey a moral, as insidiously effective and ultimately self-revealing as the essential medicament within a candied pill. Such is the conventional intellectual fodder of the concluding week of each expiring year.

The Legend

There was a time, not so long ago that men still in the prime of middle age cannot recall some of its incidents, when the whole earth was comparatively free from war and war's alarms. In that day, throughout Europe and the Americas at least, the sight of enormous hordes of armed men, equipped with murderous mechanisms for spreading destruction and death, had become strange and unusual. When seen at all, they were more than likely to be upon pompous parades, nominally in honor of some potentate or titular national leader but really for the entertainment of the masses, or intent upon some duty appertaining to their function as super-policemen. There were localized wars. The longest and most costly was the Civil War that put an end to Negro slavery in the United States. It enormously inconvenienced the textile industries of England and France and caused immense suffering among the workers who were made idle in both those countries, but neither undertook to broaden the struggle by intervention. England, France, Italian Piedmont, and Turkey, united against Russia, in 1854 and 1855, but the conflict was localized within the Crimean Peninsula, a remote Russian province, and not a shot was heard within the boundaries of any of Russia's adversaries. Prussia and Austria fought Denmark over Schleswig-Holstein, the former ultimately seizing the usufruct, the conquered territory, but the war was little more than a dress-parade lasting only a few weeks, and no nation intervened. About as brief was the war of France and Piedmont for the exclusion of Austria and the "freedom of Italy from the Alps to the Adriatic," and even shorter the raid of Prussia into Austria which ended with Sadowa and the establishment of Prussian supremacy in Germany. Napoleon III left Paris on July 27, 1870, to take command of the French armies near the Rhine frontier, and on September 2, having lost the last battle at Sedan, his army had surrendered and he was himself a prisoner of the Prussian King. The Boer War, the war between Russia and Turkey, the numerous wars between the sundry Balkan powers; all these and other contests of the period were strictly localized. Original neutrals did not crowd themselves into these contests nor was their participation anticipated or invited by the belligerents. The struggles were unfortunate, damaging to the extent of their effectiveness, but no immeasurable injuries were wrought beyond the boundaries of the participants and recovery and restoration never seemed beyond the possibilities of human endeavor and patience.

In short, for nearly a full century, from the exile of Napoleon to St. Helena, during the early summer of 1815, to the invasion of Serbia after the murders of Sarajevo, ninety-nine years later, there was no widespread, long, or extensively devastating war involving any number of the great nations of Europe and North America, the actual leaders in what is called Western Civilization. The reign of peace throughout this period was not perfect. The wastes of an armed neutrality became increasingly evident as wealth and efficiency were increased under the favorable climate of tranquillity. Nevertheless, looking only at the broad outlines of the picture, as their period becomes remote and legendary, and contrasting it in its entirety with all that men know of the years from 1914 to these closing days of 1941, the century from Waterloo to Sarajevo must seem as one of fortunate tranquillity, the confidence and comforts of which men everywhere would vastly like to be able to regain and to retain. Surely, there were during that long era no pervasive conditions that should have led thoughtful men in Europe and America to smile wryly at the sound of the words "Peace on Earth, Good Will to Men" and to see in all their environment only a parody, perhaps the invention of some thrice envenomed cynic, of that noble phrase.

Progress During The Century Of Peace

Organized mass murdering, unrestrained slaughter by armed bands, wide and planned destruction of the capital and tools men live by, were not the outstanding characteristics of the years from 1815 through the first half of 1914. When men look back at that century they see, first of all, material progress, amazing in its extent and abundantly fruitful in its splendid consequences. Everything that men achieved and accumulated, excluding from the comparison the works of Shakespeare and a few other immortals, and perhaps a few cathedrals planned by inspired architects and built by over-worked and poverty-stricken peasants, during the whole one thousand years from the crowning of Charlemagne to the adoption of the Constitution of the United States and the commencement of the Nineteenth Century, seems insignificant when contrasted with the progress of that fecund century. Peace came, peace imperfect but effective, and an earth and its population, which had been relatively sterile and without much prog-

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Editorial—

Capital Issues Controls

Closer official controls on the capital issues market in the United States are under consideration in Washington, and to a certain degree such augmented regulation would appear to be almost inevitable. To any close student of the money market it is plain, however, that the existing mechanism is more than adequate to prevent any needless diversion of funds.

The only real danger here is that the war emergency will be utilized by the ardent New Dealers as a club to batter the capital issues market ever more out of shape. Requests for special grants of powers, which already are foreshadowed, must be examined with the utmost care, to assure reason rather than panic in our wartime economy. The adequate controls of 1918 already are surpassed by the regulatory potentialities of enactments since 1933. Whatever is added henceforth may be for purposes other than simple wartime integration of the capital market.

Problems now to be solved in the money market parallel in outline those of our progressive participation in the first World War. In 1918, however, there was no such super-abundance of available funds as exists today. The question now is less one of the supply of funds than of availability of materials to be fashioned into new plants, highways and other projects.

In the earlier emergency, it will be recalled, the principal financial groups acted vigorously to curtail non-essential financing. Through the Investment Bankers Association the representative underwriters agreed to refrain from floating unapproved issues. The New York Stock Exchange denied listed facilities to such issues. State authorities cooperated, and Federal Departments which controlled the allocations of materials acted in a similar spirit.

All this eased the task of the Capital Issues Committee which functioned informally, at first, and later under due Congressional authorization, during the first World War. Less than one-fourth of some $4,250,000,000 of capital issue applications had to be disapproved in the period of greatest control during 1918. Refundings were permitted steadily and regularly, and plainly should be continued in our present situation.

Our leading financial authorities already have given much thought to the procedure that might prove advisable today. They hold, in the main, that various existing agencies are more than adequate for sluicing capital funds into war channels, to whatever degree this may be necessary. The vastly overshadowing operations of the Federal Government itself, as built up since 1933, indicate that further control requirements are exceedingly modest.

The Securities and Exchange Commission, which already examines new issue proposals with a view to supply of needed materials, doubtless will augment that part of its regulatory endeavors. The Supply Priorities and Allocations Board is an element in the scheme, at least in a consultative capacity. The collaboration of such agencies, when added to other circumstances, would seem to answer almost all questions that might arise.

Lack of Securities and Exchange Commission regulation of State and municipal issues might seem, at first glance, to leave a loophole. Actually, the officials of many State and local communities already are finding new money financing useless, owing to inadequate materials supplies. In New York City, for instance, the capital budget has been cut to a mere shadow of its former self, because lend-lease aid to the Allies has absorbed materials on a vast scale for months past.

There is some danger that the Securities and Exchange Commission, which was frustrated several years ago in its endeavor to bring State and city financing under its control, may attempt to use the present emergency toward that end. The Conference on State Defense doubtless is well aware of this danger. Since virtually all States now are represented in that Conference, general arrangements easily could be made through it to avoid non-essential drafts on the capital market for the period of the war.

ress, suddenly flowered and began to produce in abundance the things that maintain humanity in rising comfort, with gradual additions of things contributing to the spirit and to the understanding. Steam and electricity became the motor forces of production. Tools and machines were devised and multiplied in number and efficiency, relieving labor of many of the severities of toil, shortening the hours of necessary effort in obtaining means of subsistence, and so profoundly augmenting individual productivity that at the close of the period the poorest could enjoy comforts and luxuries unknown to princes at its beginning. Means of transportation and communication had corresponding development. Knowledge increased and the means of its preservation and diffusion. Philanthropy acquired enlarged vision and with augmented resources broadened greatly the fields of its activities and strengthened its practical efficacy. Education, no longer the special perquisite of a few, was opened to great masses and strengthened in quality. There were vast imperfections in the social organization, there were residual defects and vestigial injustices that called loudly for correction and the remedies for which wise and public-spirited men were persistently searching. On the whole, however, if one could shut his eyes to the increasing naval and military armaments, that seemed to clamor to be used, the balance of the picture appeared to be wholesome and hopeful. Mankind seemed to be moving onward and upward at a visibly accelerating pace.

The Large Measure Of Freedom

At the tragic hour of Sarajevo, man, at least throughout Europe and North America, seemed almost to have achieved freedom. Everywhere in these regions, he possessed many more than the "four freedoms" which appear to be all that Franklin D. Roosevelt regards as primary and essential. The freedoms of the press and of religious observance of course were his. If, anywhere in North America, he feared poverty or oppression, it was because he doubted his own capacity or perseverance. Opportunity was always his and he knew it. He knew that it had no boundaries except his abilities and determination, and there were all around him living examples of what able men could achieve from beginnings the most humble and apparently most restrictive. He could be forced to no conformity, even outward, in thought or opinion; he could not be regimented as to his vocations or avocations. He could work where he pleased, for whom he pleased, during such hours and under such conditions as he chose to accept, he could bargain freely on his own account and accept or refuse the wages offered in any employment. He could travel and trade wherever he pleased. He could go anywhere in the Americas or in most of Europe whenever he desired, without passport or permission, stay as long as he wished, sell anything he owned and could deliver, and buy anything he wished to own and could pay for. Anywhere in the United States, his buying or selling was without tariff or quota limitations; if he bought abroad he might be required to pay customs duties at the international boundary of his own country or any other country to which he shipped his purchases. Moreover, his American dollars, always exchangeable for gold coin or bullion at the fixed valuation of 25.8 troy grains, was an admitted medium of exchange anywhere he went, without discount or diminution. And there was no statute under which his sons could be conscripted for involuntary servitude in any army or sent anywhere to fight or even to labor under compulsion, except as punishment for crime. By what inducements, real or imaginary, could any section of humanity which had been led to "this fair mountain leave to go and batten on that moor"?

As 1942 Must Begin

The contrasting conditions at this moment existing do not require description or admeasurement. They are but too well known and weigh but too heavily upon the entire citizenship. To perceive that they had become inevitable and unavoidable subtracts nothing from the violence and magnitude of the alteration in conditions of life here and elsewhere. Men may, perhaps they must, differ as to the policies that plunged a nation over-burdened with public debt and taxation into warfare upon both its Atlantic and its Pacific fronts, but they cannot differ, while they remain sane, as to the urgency of hereafter restoring world conditions no less peaceful and salutary, at their worst, than those of the progressive century from 1815 to 1914. Civilization has already surrendered, let it be hoped but temporarily, many important freedoms which that century had gained and which ought to have been preserved and perfected for posterity. Many among the youth of this generation and very much of its possessions may necessarily be given to destruction, but however the struggle may wax or wane, humanity everywhere will do well to envisage the benefits of past days of peaceful progress and prosperity. For from what mankind once achieved in comfort and freedom and is presently in process of losing for a while, all may endeavor to comprehend what he is capable of re-creating and restoring. It is likely to appear more valuable and more nearly satisfying as for the time being it vanishes beyond sight and contact.

THE FINANCIAL SITUATION

(Continued from First Page)

the Administration, some indeed with a long record of ardent vocal support of this policy, are plainly in danger of placing themselves, if in fact they have not already placed themselves, in less favorable light.

Now For Real Leadership!

The time has obviously come for real statesmanship in Washington. If the Administration presently begins to exhibit this quality in abundance, doubtless the situation which seems to be developing may be, probably will be, quickly halted and corrected. Otherwise it is to be feared that our war effort will deeply disappoint many of the enthusiasts of a fortnight ago. Trouble that has long been brewing among the welders of the country (a branch whose importance to defense production can scarcely be exaggerated) is evidently still smoldering dangerously. The controversy is currently labeled a "jurisdictional dispute," which it doubtless technically is, but it likewise grows directly out of the labor policy of the Administration, particularly its Laodicean attitude (to say the least) concerning the closed shop demanded with ever-increasing insistence by the unions. It is this same closed shop issue which brought the President's industry-labor conference to a standstill. It is an issue that will continue to plague our defense effort as long as the Administration either desires to promote the closed shop or is wholly unwilling to do anything effective to prevent the unions from taking advantage of the present situation to promote it. The President apparently saw no objection to the policy of the unions in this respect until Mr. Lewis for a brief period became its chief exponent, and then, after what was all too naively denominated "some plain talk" on the subject, finally weakly surrendered to Mr. Lewis.

Labor leaders obviously have no present intention of yielding the current "opportunity" to push the closed shop principle to the limit, whatever may be their protestations of patriotism and the like. Moreover, closed shop conditions where they have already been imposed are giving rise to serious difficulties in a number of instances, including, but not exclusively, so-called jurisdictional disputes, throughout the country. The responsibility evidently rests directly and of necessity upon the President himself. He must throw political considerations to the winds, and take a bold stand on the question, demanding, as did the Wilson Administration in the first World War, that such matters as these remain in statu quo for the duration of the war, and finding and proclaiming some formula with which to deal with situations created by past concessions. He must, moreover, be ready to place the full force of his office, and the full power of his influence behind his proposals. He, and only he, can effectively meet and correct this state of affairs.

The alternatives are plain, inevitable and unpleasant. With no such effective action from the President himself we are in danger of finding ourselves involved in one dispute after another which can be brought to an end only by "patriotic" surrender of industrialists to a vicious system imposed unfairly in an extreme emergency, or unfortunate seizure by government of plant after plant, following which the closed shop, or something very near it, will be conceded. As a matter of fact even these drastic steps may well fail of complete removal of serious difficulty, since jurisdictional disputes over which management has no control and which are not eliminated by government seizure might well continue to be a thorn in the flesh of all real patriots. It is all very well to say that "public opinion" will deal with this situation effectively. It probably would—but only if it has forceful leadership from Washington, and legislation on the subject would be very likely to fail of its objective unless that same public opinion, strongly led, amply supports it. The problem is per se the President's, and he must deal with it vigorously without delay if the "honeymoon period" in our defense program is not to give way quickly to an era which neither suggests such a designation nor even nearly satisfies the demands of the country for effective military action.

The President in his summary, not to say peremptory, action in bringing to a conclusion his industry-labor conference has plainly again evaded this question of the closed shop. He has either in unstatesmanlike manner deferred the evil day when he must take some position in the matter,

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FHLBB Says Mortgage Structure Is Safe

Although this country's outstanding debt on one to four-family non-farm houses is approaching $20,000,000,000, the highest figure since 1932, the mortgage structure is on a safer basis than in any period in its history, according to the Federal Home Loan Bank Board's forthcoming report to Congress for the fiscal year 1941.

"More important than the absolute volume of debt outstanding at any time is the relative soundness of debt structure," the report says. "A volume of debt only half the size of that now outstanding, incurred without proper attention to property and credit risks, might well prove many times more hazardous than a debt half again the size of that now existing but incurred only after careful examination and selection of risk." The Board's report further said:

> The debt structure of the Twenties was basically unsound in many respects as depression experience only too clearly emphasized. During the period of boom conditions after the last war, real estate was often overpriced, there was widespread and unsound speculation, inadequate attention was given to property appraisal and credit examination, and financing costs and loan terms were in many cases exorbitant and ill-suited to the needs of borrowers. Many institutions over-extended themselves or found themselves in such a position because of the lack of any reserve credit facilities.
>
> Many of these defects have largely been eliminated and progress is steadily being made toward further improvement. Appraisals are made on a more careful scientific basis and the importance of credit analysis is more generally recognized. Long-term amortized loans with low down payments make expensive junior financing less necessary. Thrift and home-financing institutions are bulwarked by a reserve credit system—the 12 Federal Home Loan Banks—on which they can rely to avoid the credit shortages which formerly threw operations completely out of gear.

Treasury To Offer $25 Series F Defense Bonds

Secretary of the Treasury Morgenthau announced on Dec. 18 that on and after Jan. 1, 1942, the additional denomination of $25 (maturity value) of United States Savings Bonds of Defense Series F will be provided, the issue price of which will be $18.50. In explanation, Secretary Morgenthau said that as the sale of Defense Savings Bonds of Series E was restricted to individuals, many small associations found it difficult or impossible to participate in the Defense Savings program, as the smallest denomination of bond available for issue to them was the $100 denomination of Defense Series F. With the addition of this denomination, the participation of these small associations is assured, said the Treasury announcement, which added:

> Bonds of Defense Series F are 12-year bonds, issued on a discount basis, the issue price being 74% of their maturity value. If held to maturity the investment yield is 2.53% compounded semi-annually. These bonds are redeemable before maturity, at the option of the owners, at fixed redemption values. Bonds of Defense Series F are issued only by the Federal Reserve Banks and the Treasury Department, but commercial banks generally will handle applications.

A description of the Series F bonds appeared in our issue of April 26, 1941, page 2627.

THE FINANCIAL SITUATION

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or else has again weakly yielded to organized labor. Events will probably without delay disclose the nature of his action. He can appoint a War Labor Board which will almost as a matter of course concede labor's demand—selected, as upon occasion in the past, probably with precisely this expectation--or he may (and it is most devoutly to be hoped) appoint a Board of real strength and independence of mind—and support it to the limit. But whatever he may do in the future, he, as matters now stand, is on record as again "wincing and relenting and refraining" when labor labor resistence is encountered. It may be possible to conduct the production phases of our defense effort successfully by taking advantage of the patriotism of management and the awkwardness of the position of business in "balking" at anything in times like these, but this would certainly not be an ideal foundation upon which to build. It is, moreover, still uncertain in what degree the conferees assembled by the President in this matter can effectively speak either for industry or labor. Forceful leadership, not quibbling and evasion, is sorely needed in Washington at once.

Production Management

But much more is required of leadership in the existing circumstances. The defense production effort from the outset has been poorly managed at the top. Of this fact the country quite generally is well convinced. It has long wished to see the machinery of over-all management extensively changed, refurbished and placed in competent hands, with a much greater concentration of responsibility in men whose experience and records furnish evidence of their fitness and whose past would completely remove any suspicion of determination to intermingle defense and reform. The incidents at Pearl Harbor greatly increased this desire on the part of all thoughtful men and whetted their hopes that something of the sort would be promptly done. Weeks have now elapsed, and to the date of this writing the President has done virtually nothing to meet this situation. To be sure, some changes have taken place, but they have scarcely helped matters. At any rate they do not even begin to scratch the surface of requirements. Nor are there clear indications of intention to take the necessary steps.

For some time past there have been recurrent reports, one might almost say a continuous stream of reports, of plans to reorganize defense production management drastically. If may be, of course, that the President is having trouble in selecting precisely the right man or men for the tasks in hand. Certainly it would be no easy choice. Let us hope that such is the explanation of the continued delay, but candor compels the observation that coupled with virtually all the rumors and reports of such plans have been the names of individuals who could never command the confidence of those elements in the community which must in any event bear the burden of actual production. For the most part they are members of the same old group of politicians, semi-politicians or professional New Dealers. As far as the public is able to ascertain, moreover, these same men are still the closest advisers of the President—even if changes occur in the relative standing of individuals with the Administration. It is scarcely surprising that the Washington scene at a time like this should be one of considerable confusion. It is, moreover, difficult for the public to gain an accurate appraisal of what is taking place. Despite all this, however, the thoughtful citizen, must be excused if he harbors grave doubts as to whether all is well with the production side of the defense program.

We Must Produce!

And all must be as well as possible with defense production, and it must be clear that such is the case. Failure to produce armament in maximum amounts could not fail to lengthen the war, and even might lose it. Continued doubts on that score, certainly if they are warranted, would greatly aggravate the problems surrounding production. The President apparently has not hesitated to deal vigorously with military dereliction or incompetence. On the contrary, he seems to have acted with dispatch and, so far as can be judged, with good sense. He should act with similar strength on other fronts. It is, of course, true that action elsewhere may involve what might in ordinary times be regarded as political hazards, but such considerations have no place in sound leadership at such a time as this. Indeed, to be perfectly candid, the greatest anxiety in many quarters concerns precisely whether the President, long and continuously a politician par excellence, will be able to bring himself really to dismiss political considerations from his mind in dealing with vital defense matters.

Such is the nature of the problems by which we are faced now that the "honeymoon period" of our defense program is about to come to a close. Our success from this point forward will depend in large measure upon the vigor, courage and good sense applied to them, largely in Washington.

The State Of Trade

Business activity rose fractionally during the week. Electric output was reported at a new all-time high and steel operations held steady despite the scrap shortage. There was another sharp curtailment in automobile production, as reported by Ward's. The figure for the week was placed at 65,875 cars and trucks, against 95,990 a week ago. Rationing is the immediate worry of business, and with the turn of the year, the public and business leaders look for severe governmental curtailments in tires, radios, textiles and gasoline. In fact food, with the exception of fats and oils, appears now to be the only major classification in consumer goods which will escape.

After a few days' slump due to the sudden shock resulting from America's involvement in the war, retail business regained its momentum, and since Friday a week ago has spurted ahead of all previous records for the Christmas period, according to Dun & Bradstreet, Inc. The average increase in retail dollar volume over 1940 was from 6 to 12%, with the East and West Coasts falling below the average and the interior rising above it.

Steel production in the United States during Christmas week will be at 93.4% of capacity, a new all time high for the period and reflecting only a meager curtailment, the American Iron and Steel Institute reported yesterday. The week's output level compares with 97.9% last week, a reduction of 4.5%.

In the like week for recent years, operations were reduced approximately four times as much as this year. A month ago the rate was 95.9% and a year ago 80.8.%

Scoring a new high record, electrical energy distributed by the electric light and power industry during the week ended Dec. 13, the first week of war for the United States, amounted to 3,431,328,000 kilowatt hours, the Edison Electric Institute reported. This was an increase of 1.8% over the previous week, which had registered the highest production figure for the industry up to that time. The improvement over the corresponding period last year amounted to 14.2%.

Freight carloadings declined to an extent which exceeded the usual seasonal trend, according to the report for the week ended Dec. 13, issued by the Association of American Railroads. A total of 807,225 cars of revenue freight were loaded by the railroads, representing a decrease of 26,150 cars, or 3.1% from the previous weekly total.

Engineering construction awards for the week, $66,966,000, are 13% higher than a week ago, but are 49% lower than in the corresponding 1940 week as reported by "Engineering News-Record."

The increased volume of public buildings brings public construction to a level 88% above a week ago and is responsible for the gain over the preceding week. Public awards, however, are 34% lower than a year ago. Private construction is off sharply, 77% under last week, and 84% lower than last year.

Reports from Washington indicate that labor has made a number of concessions in the current conference with industry which are aimed at heading off restrictive legislation. It is anticipated that a War Labor Board and agreement to arbitrate disputes will result from the conference. It is pointed out, however, that the chief obstacle to an agreement is the deep difference over the union shop. Labor representatives contend that the union shop issues, like other issues in dispute, are suitable questions for arbitration.

A general labor shortage is in prospect, if not immediately imminent according to revised estimates of the total labor force and unemployment released yesterday by the division of Industrial Economics of the Conference Board. Unemployment in October is placed at 1,700,000. In September the number without jobs had fallen almost to 500,000. The increase in October resulted primarily from a normal seasonal decline in agricultural employment. At the beginning of 1941 there were about 8,000,000 persons unemployed. The slack in the labor market was so quickly taken up by industrial and military expansion, however, that by May the number without jobs had been reduced to 2,500,000.

Treasury's Defense Savings Program Aims To Reach 35,000,000 Income Recipients

The goal of the Treasury in its intensified Defense Savings Program is to reach quickly the 35,000,000 recipients of current income and to have them set aside regularly some part of their pay to buy Defense Savings Bonds and Stamps, Secretary of the Treasury Morgenthau declared on Dec. 17. Addressing a meeting of Defense Savings Administrators and Chairmen from all States, gathered at Chicago, the Secretary explained that the purpose of the program was not only to raise funds to finance the expanding costs of the war but to protect the country from the dangerous evils of inflation. Mr. Morgenthau disclosed that about Jan. 10 a Nation-wide canvass of homes, offices and factories will get under way to obtain pledges to buy defense bonds with income not needed for the bare essentials of life. In addition to the canvass, the Nation's employers will be urged to adopt a pay-roll allotment plan in which the workers will authorize regular deductions for investment in the bonds.

Declaring that the job is to fight inflation as well as to gather funds, the Secretary further said:

> For that reason, it seems to me, our major effort now must be directed particularly at those in all walks of life who receive regular pay from wages and salaries. Inflation feeds on current income, rather than on the money that now rests in the vaults of savings banks. It may seem heartless to speak of excess spending on the part of millions of people in the middle and low income groups; but, in wartime, in the face of a limited and dwindling supply of civilian goods, there is such a thing. In wartime, excess spending means the buying of any commodity that we can safely do without. Therefore, the most effective course for us, as we have known from the very beginning, has been to enlist current income and to divert excess spending, to persuade our people to set aside a part of their pay every pay day in defense bonds and stamps.
>
> Let's now make every pay day Bond Day. And when I speak of regular investment every pay day I am speaking not only of the millions of factory workers, not only of the teachers and accountants, the clerks and civic employes who live on regular salaries, but also of the farmers who are earning solid incomes for the first time in many years and who will be the first to suffer if we allow inflation to get out of hand.
>
> All these are the people we must reach, with a determined effort that will have an impact in Berlin and Rome and Tokyo, an effort that will give new heart and courage to the free peoples who are fighting on our side everywhere.
>
> I have been asked many times whether we have a goal, a quota for the United States. I have always avoided answering with a money figure, because I have been much more interested, firstly, in reaching vast numbers of individuals, and, secondly, in absorbing current income rather than accumulated savings in the banks. But I will tell you now what my goal is, what our goal shall be and must be. It is to reach quickly, within the next few months, every single recipient of regular current income in the United States, and to have every one of these 35,000,000 people setting aside some part of their pay regularly within the shortest possible time. And when I say "some part of their pay," I am not thinking merely of a token contribution. I mean a real investment, the very limit that each person can afford without actually taking food and other necessities from himself and his family.

Harold N. Graves, Assistant to Secretary Morgenthau, also discussed plans for the more intensive promotion of the sale of defense bonds and stamps at the opening of the Chicago conference on Dec. 16, held at the Federal Reserve Bank Building.

Cuban Tax Schedule For Amortization Of Export-Import Loan

Service and amortization of the recent Export-Import Bank loan of $25,000,000 to the Republic of Cuba have been provided for by specific taxes set up by the Cuban Congress, the U. S. Department of Commerce reports. These taxes are as follows:

> (1) A one-fourth of 1% gross sales tax; (2) taxes totaling 16 cents per 325-pound bag of raw sugar produced (these taxes are now in effect but proceeds are used for other purposes); (3) 50% of the receipts of certain Government-owned waterworks; and (4) income from tariffs or assessments to be collected from persons who use, or derive benefit from, public works executed under the law.

The Department's advices also said:

> In order to provide revenues to offset the loss of income from the sugar taxes assigned to payment of the loan, a 20% surcharge is established on certain profits taxes and a 10% surcharge is established on the stamp tax. It is further provided that 5% of all customs revenues be used for the service and amortization of the loan, if it should be found necessary to use the revenue for loan service purposes. Increased domestic postage and telegraphic rates now in effect and provided for in a previous loan law, which is repealed by the present law, will remain in force.

The loan was granted to Cuba in May, 1941; this was reported in these columns of May 10, page 2947.

Items About Banks, Trust Companies

E. Chester Gersten, President of The Public National Bank & Trust Co. of New York, announced on Dec. 18 that the Board of Directors appointed Edward H. Dunckelmann an Assistant Cashier at the Midtown Office, 39th Street and 7th Avenue. Mr. Dunckelmann was formerly Chief Clerk at that office.

The momentous and determined words in President Roosevelt's War Declaration Speech of Dec. 8, have been singled out by the Bank as an inspiring patriotic theme for the Bank's current advertising.

This advertising now appearing in many city dailies, begins with the historic last sentence of the declaration speech:

"With confidence in our armed forces—with the unbounding determination of our people—we will gain the inevitable triumph—so help us God. . . ."—Franklin D. Roosevelt.
Dec. 8, 1941.

The quotation part of the advertisements is set up to simulate an inscription on a bronze plate.

The copy below reads: "Every man, woman and child can invest in victory. Back our defending forces with dollars. Buy United States Defense Bonds and Savings Stamps. The complete facilities of this Bank are at your service for this purpose." A further paragraph offers free copies of the President's words, suitable for framing upon application to any office of the Public National Bank and Trust Company. The wall motto thus referd to is on heavy antique paper, printed in red, white and blue effect. It is approximately 16 by 21 inches. The Bank reports requests for it are coming in rapidly by mail, telephone and personal calls at the Bank's 30 offices throughout Greater New York.

The National City Bank of New York announced on Dec. 23 the election of three new Vice-Presidents, Wilbert Ward, Alan H. Temple and Delmont K. Pfeffer. The appointment was also announced of Ralph W. Dey as an Assistant Cashier. Mr. Ward, who has been an Assistant Vice-President, became associated with the bank in 1917, as head of the export commercial department. He is Chairman of the Bankers Foreign Exchange subcommittee. Mr. Temple has served as the bank's statistician for several years. He joined the institution in 1931. Mr. Pfeffer became affiliated with the bank in 1934, and had been manager of the municipal bond department. He was President of the Municipal Bond Club of New York during the past year.

Three new Vice - Presidents were elected to the staff of the New York Trust Co. of New York on Dec. 23, viz: Raymond G. Forbes, who will continue as Treasurer; Manice deForest Lockwood, Jr., Secretary since 1930, and Herbert J. Stroh, formerly Assistant Treasurer. Mr. Forbes, Treasurer of the institution since 1930, joined the bank in 1921 at the time of its merger with Liberty National Bank. Mr. Lockwood has been with New York Trust since 1920. Mr. Stroh, identified with the banking business for thirty years, has been associated with New York Trust since 1919.

In addition to the announcement of the new Vice-Presidents, the President of the New York Trust, John E. Bierworth, also announced the promotion of nine other officers. Clinton D. MacConnell, formerly Assistant Secretary, was made Assistant Vice-President. Joseph A. O'Connor, formerly Assistant Trust Officer, becomes Trust Officer. Mr. MacConnell has been with the bank since 1909 and Mr. O'Connor since 1915. Harry F. Littlejohn, who has been in the bank's service since 1936, was appointed Secretary. He formerly held the post of Deputy Controller of the New York Life Insurance Co. John T. Degnan, John B. Stalford and James M. Doubleday were appointed Assistant Treasurers of the New York Trust. Herbert J. Gertscher, Jr., was appointed an Assistant Secretary and Bernard deHosson and Marion B. Sessions were named Assistant Trust Officers.

At the regular meeting of the Board of Directors of The National City Bank of New York held Dec. 9, Frederick A. Magrath was appointed Assistant Vice-President. Mr. Magrath will continue to be associated with the officers handling the bank's affairs in the Metropolitan area. He was formerly an Assistant Cashier.

Three official promotions were announced by City Bank Farmers Trust Co., New York City, following the meeting of the Board of Directors Dec. 2. Arthur K. Davis, formerly an Assistant Trust Officer, was appointed a Trust Officer; G. Warfield Hobbs, 3rd, formerly an Assistant Secretary, was appointed Assistant Vice-President and Fred W. Ohmes was appointed Assistant Secretary. Mr. Davis joined the Trust Company in 1910 and has been an Assistant Trust Officer since 1928. Mr. Hobbs, a graduate of Johns Hopkins University, started with the National City organization in 1928 and was made an Assistant Secretary in 1938. Mr. Ohmes, a graduate of Fordham Law School and Brooklyn Law School has been with City Bank Farmers since 1930 and is a tax specialist.

Eugene W. Stetson, President of the Guaranty Trust Co. of New York, announced Dec. 2 that Merrel P. Callaway will retire as Vice-President and head of the company's Fiduciary Department, effective Jan. 1, 1942. Mr. Callaway, who has been associated with the Guaranty since 1919, will continue in the service of the company as Chairman of the Trust Investment Committee of the Board of Directors, and in a general advisory capacity to the bank.

The designation of A. Nye Van Vleck, Vice-President, as head of the Fiduciary Department to succeed Mr. Callaway, was announced at the same time. The announcement added:

> Mr. Callaway is widely known in the fiduciary field, and has long been active in trust organizations aside from his duties with his own institution. He served as Vice-President of the Trust Division of the American Bankers Association in 1934-5, and as its President in 1935-6. He was one of the organizers of the Corporate Fiduciaries Association of New York City, and served as its Vice-President in 1923 and President in 1924 and 1925.
>
> Mr. Van Vleck has been associated with the Guaranty Trust Co. in fiduciary work since 1919. He became assistant trust officer in 1923, personal trust officer in 1927, and was appointed a Vice-President in 1936.

The Manufacturers Trust Co., New York City, was recently authorized by the State Banking Department to open a branch office at 741 Fifth Avenue.

The annual dinner of the Twenty-Five Year Club of the Manufacturers Trust Co., New York, comprising officers and employees who have been with the bank 25 years or longer, was held at the Hotel New Yorker on Dec. 10 and was attended by 150 members and their wives, including 24 new members who were inducted on this occasion. The principal speaker was Harvey D. Gibson, President of the bank, who was elected to honorary membership and presented with a beautifully engrossed memorial and emblem of membership. Other speakers were Henry C. Von Elm, Vice-Chairman of the Board; Charles H. Stone, Assistant Vice-President and outgoing President of the Twenty-Five Year Club; Charles Froeb, Chairman of the Lincoln Savings Bank, who has served as a Director of Manufacturers Trust Co. since 1902, and Harold C. Richard, also a Director.

New officers of the Twenty-Five Year Club elected for the coming year were Richard N. Cotter, Honorary President, who has been with the bank 61 years; Chris J. Ochs, President; Edward J. Gresser, Vice-President; William Haas, Secretary-Treasurer.

Central Hanover Bank & Trust Co., New York, announced on Dec. 10 the appointment of the following new officers: Thaddeus C. Cox, Assistant Treasurer; Gould Jennings and David M. Proudfoot, Assistant Secretaries; Edward S. Brown, assistant manager of the Credit Department.

The Board of Directors of the Chemical Bank & Trust Co., New York City, on Dec. 11 approved the payment of a bonus on annual salaries to all officers and employees, amounting to 5% on the first $5,000, with an additional 3½% on the next $5,000, and an additional 2% on all salaries above $10,000. This payment will also be made to officers and employees in military service. The Chemical Bank has paid a Christmas bonus continuously each year, with one exception, since 1870.

At the same meeting, George I. King was appointed Manager of the 320 Broadway branch office, and William C. McAdam was appointed Manager of the Fifth Avenue and 29th Street branch office.

Harry E. Ward, President of Irving Trust Company, of New York, in a letter mailed to its stockholders on Dec. 17, emphasized the special importance of two questions upon which shareholders will be asked to vote at their annual meeting, Jan. 21, 1942. The announcement states:

> One is a new retirement plan in which more than 90% of the Irving's organization have already expressed their desire to participate. For many years the bank has made pension arrangements, entirely at its own expense, for members of its staff who have rendered long and faithful service. Now it is proposed to replace that informal practice with the new annuity plan which is based upon a group contract with The Equitable Life Assurance Society of the United States, effective from Jan. 1, 1942, provided the stockholders approve the plan which the Board of Directors has recommended.
>
> Under this plan, the entire cost of retirement income on account of service before Jan. 1, 1942, would be paid by the company. The estimated total gross cost for past service is $2,900,000 but the probable net cost, giving effect to tax savings and other factors, would more nearly approximate $1,500,000. This cost would be paid over a period of years and all amounts required in 1942 would be provided from reserves previously accumulated.
>
> The cost on account of service after Jan. 1, 1942, would be borne one-half by the company and one-half by the employes. This arrangement would require an outlay by the company estimated at $125,000 for 1942.

Two provisions of the plan are said to be somewhat unusual. As to this, the institution's announcement stated:

> Any employee who leaves the company after keeping up his or her payments for 10 years may leave the money with the insurance company and be guaranteed a life income from age 65 based not only on these payments but also on the company's payments as well for that person's entire time in its service. Anyone leaving the company after making regular payments for five years may leave the money with the insurance company and receive annuities from age 65 based on what the company and the employee have paid in during the five years.
>
> Sixty-five would be the normal retirement age for everyone in the Irving's employ. Under certain circumstances retirements may take place at earlier ages with life incomes in lesser amounts or an option may be taken to provide for income to a survivor of a retired employee after his or her death.

The other question is a proposed addition to the Irving's by-laws by which the company would indemnify directors against expense in defending unjust attacks upon them for alleged negligence or misconduct in office. Similar by-laws have been adopted by numerous other large corporations.

Edward Charles Grenfell, the first Baron St. Just, senior partner in the banking firm of Morgan, Grenfell & Co., London, England, died in that country on Nov. 26, according to word received in New York on Nov. 28. He was 71 years of age, and at his death held many important financial positions including that of Director of the Bank of England, Vice-President of the International Mercantile Marine, and a member of the Salvage and Towing Co., Ltd. Following his graduation from Harrow and Trinity College, Lord St. Just immediately entered the banking field in which his family had been active for 100 years. He became in time senior partner in the London banking firm with which J. P. Morgan & Co. and Drexel & Co., in this country, were associated.

At the meeting of the Board of Trustees of The New York Trust Co., held Dec. 16, a quarterly dividend of 3½% (87½ cents per share) on the capital stock of the company, was declared payable Jan. 2, 1942, to stockholders of record at the close of business on Dec. 20, 1941. This is a reduction from the previous rate of 5% ($1.25 per share).

In announcing the cut, John E. Bierwirth, President, stated that the dividend at the old rate had actually been earned. He explained, however, despite regrets at impairing a dividend policy which had been maintained unbroken for so many years, that the Board had unanimously concluded, in the face of present uncertainties both as to world events and as to domestic conditions and outlook, that it would be wise and prudent to effect a reduction in the amount of the dividends and to retain a larger part of the net earnings. Mr. Bierwirth stated further that this policy should be maintained until there is a material change in the factors which have led to this action.

"What Price Giving?" is the title of a handy and authoritative tabular guide to tax computation issued by the Public National Bank and Trust Co., New York. A valuable feature of this copyrighted innovation in pocket tax guides is that the reader is enabled to find, at a glance, the amount by which his estate tax and income tax will be reduced as a result of a donation or gift of a portion of his property. Clearly shown also is the manner in which the increases in gift tax rates which become effective on January 1, 1942 affect gift taxes and estate tax savings. The booklet has a new and ingenius dual parallel fold feature which enables the reader to find the correst estate, gift and income taxes on a given income at a glance. This novel instant tax finder has an extremely wide range, since it covers estates running upward from $100,000, taxable income from $10,000, gifts from $10,000, and "income from donated property" from $1,000.

Said to be the clearest and most simplified tax guide of its kind, the Public National booklet gives two sets of tables—namely Federal Income Tax Tables and Estate and Gift Tax Tables. Under these two classifications the guide tables show actual figures of both taxes and savings, thus obviating lengthy computations so often necessary when usual tax tables are employed.

The booklet is available free on request to the bank, 37 Broad St., New York City.

The Board of Directors of the Continental Bank & Trust Company of New York on Dec. 18 announced the appointment of Harold Brummer as Assistant Vice-President, effective Dec. 31. He will make his headquarters at the main office at 30 Broad Street and his duties will include the development and servicing of the bank's business in the New England States. Prior to his appointment, Mr. Brummer had been with the Irving Trust Co. of New York for several years.

The Board of Directors of the Lawyer's Trust Co., New York City, has voted that additional compensation be paid to all officers earning less than $5,000 a year and to all employees, of an amount equal to one-half of one month's salary to all those in the employ of the company for one year or more, and one-quarter of one month's salary to all employees employed less than a year.

Arthur S. Kleeman President of the Colonial Trust Co., New York, announces the appointment of Chester W. Hoyt as Comptroller of the bank and Miss Angelica Lee as Safe Deposit Service Manager, in charge of customer relations with boxholders at all four offices of the institution. Before joining Colonial Trust Co., Mr. Hoyt was Comptroller of the State Bank at Albany and, more recently, in charge of bank analysis for The Todd Co., Inc.

Directors of Trust Company of North America, New York, announced on Dec. 12 their decision, in view of rising living costs, to pay the bank's entire staff a bonus for the year 1941 amounting to one-half a month's salary for those employed prior to Jan. 1, 1940, one week's salary for those employed thereafter and prior to July 1, 1941, and, in the case of staff members employed after July 1, 1941, 6% of actual salary received in the final quarter of the year on the basis of the first $1,800 of annual salary and 4% for the next $1,200. Beginning next year, directors expect that, instead of the annual bonus, a regular supplementary pay system will be instituted for all employees and reviewed at the end of each quarter in the light of then existing conditions. The bonus for 1941 is on the same basis as last year except that those employed by the bank within the past six months are now included.

The election of William E. Yates as a Vice-President has been announced by the Lafayette National Bank of Brooklyn. Mr. Yates was formerly an Assistant Cashier of the institution.

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Foreign Front

(Continued from First Page)

lands and British Dominion Governments will participate in the conversations.

The Prime Minister was accompanied by Lord Beaverbrook, British Minister of Supply, and by a group of military and technical experts. The dramatic arrival of the British group called to mind the famous shipboard conference of last summer, at which the Atlantic Charter was formulated. As on the former occasion, the meetings of the principals are to be paralleled by lengthy discussions among the military and other advisers of the President and Prime Minister.

Establishment of over-all unity for the purpose of defeating Hitlerism everywhere in the world is the official aim of the new Roosevelt-Churchill gathering. Already, some long steps toward that end have been taken in the Western Hemisphere. Canadian and United States military programs have been integrated for nearly a year, and the lend-lease project now includes 33 countries.

The problems of military, naval and aerial commands, which proved so thorny in the first World War, doubtless will be discussed realistically in Washington. The immense significance of concerted action cannot be overemphasized. This matter is especially difficult just at present, owing to sweeping changes considered necessary in the United States as a consequence of our projection into the conflict through the treacherous Japanese attack at Pearl Harbor and the German and Italian war declarations. The three Commanders of American Navy, Army and Air Forces at Hawaii were relieved of their posts, last week, and the supreme command of all American naval forces was entrusted over the week-end to Admiral Ernest J. King, whose command previously was confined to the Atlantic Fleet.

The new officers appointed for the Hawaii station are Rear Admiral Chester W. Nimitz, as Commander of the Pacific Fleet; Lieut. Gen. Delos C. Emmons, as Commander of the Hawaiian Department, and Brig. Gen. Clarence L. Tinker, as Chief of the Air Force in Hawaii. The officers they replaced are, respectively, Admiral Husband E. Kimmel, Lieut. Gen. Walter C. Short and Major Gen. Frederick L. Martin.

Indicative of the grim intentness of the United States Government in winning the war was a new selective service law adopted last Friday, which makes all men from 20 to 44, inclusive, subject to military service, and requires the registration of all between ages 18 to 64, inclusive. This, it was calculated, provides a potential military force of 6,900,000 men. Also illustrative is the annual report of the Secretary of War, published Monday, which places great emphasis upon the aerial forces which are becoming ever more decisive on all fronts, and which this country is especially well equipped to provide.

Battle of Manila

That part of the vast Pacific struggle which involves directly the forces of the United States and Japan has now resolved itself into a contest for the Philippines, which is likely to become known as the Battle of Manila. As all military experts were agreed from the beginning, the treacherous aerial attack on Pearl Harbor was intended to immobilize part of our Pacific Fleet and hold the balance in our own Pacific waters. That the Japanese gained this end at least in part is now clear, for extensive troop landings from transports have been made at various points in the Philippines, and the struggle for those strategic islands is on.

Numerous Japanese submarines apparently are operating off our Pacific Coast, with the obvious intent of crippling our transportation facilities. The enemy craft were reported every day this week as making attacks on unarmed tankers, several of these vessels being sunk, although most of them escaped the attackers. One sizeable passenger vessel plying between Honolulu and San Francisco also has been sunk. No further attacks have been made at Hawaii, and Midway Island remains in American hands despite occasional aerial bombing by the Japanese. Wake Island is now officially claimed by the Japanese, and Guam fell soon after the war began on Dec. 7. With two of the main stepping-stone islands of American communications to the Far East in their hands, the Japanese plainly decided to proceed with their aggression in the Philippines.

The sporadic aerial attacks and occasional landings at remote northerly points in the principal Philippine island of Luzon were sharply augmented, Monday, when an enormous flotilla of 80 Japanese transports appeared off the Gulf of Lingayen, and began to pour attacking troops onto the coastal area there in the face of fierce American opposition. Another important landing occurred Tuesday, southeast of Manila. A good deal of anxiety has been occasioned among military analysts by these moves.

There was no element of surprise in these attacks, for the areas selected by the Japanese were always regarded as likely avenues of aggression and they were well fortified. Before the landing on Luzon areas near Manila occurred, moreovecr, other moves by the Japanese made it obvious that a full scale attack on all American military defenses was imminent.

At the three remote landing points of Northern Luzon, the attackers clearly desired to gain areas for airplane fields, so that aerial superiority might be established. The land communications from such points are altogether inadequate. There is, unfortunately, some reason to believe that swarms of Japanese airplanes have given the invaders at least a momentary control of a portion of the Philippine air.

In the southerly portion of the Philippines, at Davao in the Island of Mindanao, the Japanese landed important forces last Saturday. Davao is a town of some 40,000, most of the inhabitants being Japanese. The fate of Davao has been "obscure" since the landing was attempted, according to our own military spokesmen. Japanese authorities claimed the town fell into their hands last Saturday. Iloilo, principal port of Panay Island, was bombed by Japanese airmen, and extensive raids were reported against our naval base at Cavite and military installations.

Numerous instances of heroic counter-action by American airmen and others are reported from Manila, where Gen. Douglas MacArthur and his forces are hitting hard at the invaders. Enormous loss of life among the attackers was indicated, and no note of undue concern appeared in the official reports, which stated that the situation was "well in hand." American submarines operating from Philippine bases sank a number of Japanese ships, and others went down after American aviators bombed them. Submarines and aerial bombers of the Netherlands East Indies joined in the defense of the Philippines, and also wreaked havoc among the invaders.

Although the issue is far from decided, and much depends upon supply of the defenders and the action to be taken by our main naval forces, there is no doubt that the Japanese have attained some of their early objectives. At least three Japanese transports were sunk in the landing attempt at Lingayen Gulf, and more were sent to the bottom thereafter. Such losses apparently failed to halt the Japanese entirely, for a small section of the coast was occupied, and the attackers promptly began to drive inland.

From Lingayen Gulf points the approach to Manila is militarily feasible, although difficult in spots. The attackers were reported yesterday as having bombed and damaged a long steel bridge on this route, in back of the defending armies. The reason for heavy landings on southeast Luzon are less readily explicable, since deep gorges guard the approach to Manila from that side. In any event, the attackers now are more or less established at five points on Luzon, with Manila their ultimate objective.

Forces engaged in this conflict are not generally disclosed. The American defense alignment naturally is a military secret, and even conjecture on this point is inadvisable. The official reports make it evident, however, that the Filipino elements in our armed forces are fighting the invader valiantly and sturdily. Official estimates in Washington are that 80,000 or more Japanese soldiers comprise the invading force at Lingayen Gulf points, and more thousands are said to be arriving daily. Our aerial scouts reported the Japanese armada while it still was some distance at sea.

Before the Japanese attack began on Dec. 7, military calculations in Washington often were reported to be based upon the possibility of losing the Philippines, after a sustained defense. If such calculations ever were really entertained, they certainly do not guide the defenders now. It is evident, moreover, that we must continue to hold the Philippines, if the Far East is not to fall entirely into Japanese hands, for the defense of British and Netherlands possessions would become exceedingly difficult if these islands were to fall.

British and Dutch Defenses

Major attention in the Far Eastern war area now centers upon the Philippines, but it is clear that equal importance attaches to the Japanese drive southward along the coast of East Asia toward the great British and Netherlands possessions. There is somewhat less peril to enemy communications in the coastal drive, which probably explains the urgency of the move against the American bastion. If the Philippines can be reduced, the attackers will have a better chance to take over also British Malaya and the Netherlands East Indies.

Hong Kong, as a way station on the Japanese course of attempted conquest, remained under siege early this week, with the British Empire forces battering sternly against the seemingly endless waves of attackers. Cut off from sea communications, surrounded on the land side adjoining the island, and with little or no aerial support, the defenders of Hong Kong fought an epic battle that aroused the admiration even of their antagonists. Sir Mark Young, Governor of Hong Kong, denied in personal messages the persistent Japanese claims of victory.

Even in London, however, it was admitted that the defense of Hong Kong is virtually hopeless. The Japanese advanced on the mainland and took Kowloon early last week. They made landings on the island last Friday, and slowly forced the defenders back into the higher areas of the mountainous island over the last week-end. For considerable periods communications between Hong Kong and the outside world were precarious, and the status of the Britsih Colony is in doubt. The strategic importance of Hong Kong is not to be deprecated, since it is a highly valuable naval base, especially suitable for submarine harrying of communications.

The main Japanese assault on the Continental side of their two-pronged drive southward in the Far Pacific was aimed at Malaya, where the giant British base of Singapore is located. Land forces moved southward from the Thailand border into Malaya, and apparently made extensive gains. Penang, the British island base on the western side of the Malay Peninsula, was evacuated by the defenders last Friday. This provided the Japanese with airfields from which the Malacca Straits approach to Singapore can be threatened.

After a slow retreat before overwhelming Japanese odds, the British Empire forces made a stand, early this week, some 330 miles north of Singapore, on the narrow Kra Isthmus. Aerial reinforcements were brought up and began to smash at the Japanese. It is obvious, moreover, that the main defenses of Singapore will become ever more difficult for the invaders, if they manage to move farther southward.

Still another attack by the Japanese was developed over the last week-end at North Borneo, where British forces endeavored to halt the aggression. Only modest Japanese contingents apparently were landed on Borneo, but the defenders possibly had still fewer men available. The British-owned oil fields of the area were dynamited, lest the Japanese make progress and thus capture vitally important oil areas. Aerial attacks were made by the Japanese on some Netherlands possessions, but no important landing attempts were indicated.

Portuguese Timor

One small area of the Far East where the Allies acted forehandedly is the Portuguese portion of the island of Timor, held jointly by Portugal and the Netherlands. In order to forestall any Japanese plans for occupation of Timor, contingents of Australian and Netherlands troops marched into the Portuguese part of the island, last Thursday, and took command of the defenses. Situated near Australia, at the eastern end of the vast chain of the Netherlands East Indies, the island has strategic potentialities which plainly warrant the action taken.

This incident promptly occasioned mild objections in Lisbon, at least in official circles. Whether the objections were more than pro forma, however, is to be doubted. Premier Antonio de Oliveira Salazar informed the Parliament that demands for the withdrawal of the Australian and Netherlands troops had been made, immediately upon receipt of information regarding the military occupation. He also assured his countrymen that the matter will be straightened out at the end of the war.

British authorities took the unusual step, Sunday, of issuing a statement for the reassurance of the Portuguese people. The occupation was a regrettable necessity, it was indicated, and the disclosure was made that Japanese submarines had been observed in the vicinity of Timor. Premier Oliveira Salazar was quite right, according to London, in saying that due adjustments will be effected at the conclusion of the conflict. There was little further comment in Lisbon, other than statements in the press that the ancient understanding with Great Britain must not be prejudiced.

German Program

Stripped of their legend of "invincibility," German forces are in retreat in Russia and in Libya, and some drastic changes are in progress within the Reich as a consequence of the radically altered military situation. Just what these changes signify may well depend upon the further fortunes of war. It appears, however, that Chancellor Adolf Hitler has found it necessary to dismiss his supreme Army Commander, Field Marshal General Walther von Brauchitsch, and assume in his own name the leadership of the Reich Army.

In all probability this change reflects an effort to allay unrest among the German people, and perhaps also among the German armed forces. It is quite possible that the war-weary German people are becoming rebellious and are making their discontent plain through "go-slow" practices and the many other ways that a people living under a dictatorship develop.

But it also is possible that fresh strategic plans are about to be disclosed, in an effort to gain advantages from the Japanese entry into the war. Withdrawal of much of the German air force from Russia preceded the announcement in Berlin, on Dec. 8, that lines in Russia would be adjusted for a winter war of position. A logical assumption is that the Germans are about to turn their major aerial attention once again to the British, in the effort to prevent adequate reinforcement of Empire forces in the Far East.

Any major effort by the Germans and their Italian associates might be directed against either the United Kingdom, or the African and Near East strongholds of the Empire. Indeed, attacks in all directions might be attempted, with a view toward occupying the British fully. This would tend to cover up the obvious German failure to capture Moscow and achieve other objectives promised by Hitler to the Nazis.

Hitler issued a proclamation on Sunday, announcing the dismissal of von Brauchitsch and his own assumption of supreme command. With inevitable verbosity he recalled events of recent years, dilated on his own "intuition" and, while expressing full appreciation for the services of von Brauchitsch, declared that he had united in his own hands all armed commands. In an accompanying proclamation to German soldiers, Hitler asserted that the war is nearing its "climax and turning point." Grossly exaggerating Japanese prowess, the German Dictator said that the war is entering on a new phase favorable to Germany, and he added that decisions of world-wide importance now are faced.

With respect to Russia, where the German forces obviously are spent, Hitler was fairly precise. The task of the Germans there will be to hold and defend until the arrival of Spring what they so far have conquered, he said. New units are to be formed and better arms are to be supplied, the Fuehrer told his minions. He also remarked on the necessity of protecting the vast German front from Kirkenes to the Spanish border, and on the difficulty of "organizing connections" on this western front. Not only are preparations to proceed for the resumption of fighting against Russia, next Spring, but "the introduction of other decisive war measures is impending," he announced.

Intensification of the Battle of the Atlantic appears to be among the plans of the German Dictator. The British Admiralty announced last week that the light cruiser Dunedin, 4,850 tons, had been sunk in the Atlantic by a German submarine. Berlin announced officially last Monday the sinking in the Atlantic of a British aircraft carrier, but London indicated Tuesday that the ship torpedoed was a converted merchantman on aerial patrol duty. Axis submarines were reported on several occasions off our own Atlantic Coast.

Russian Campaign

All reports indicated this week an increasing debacle for the Nazi forces in Russia, and the world strategy of the current war necessarily will be affected by this circumstance. Although the German High Command announced on Dec. 8 an intention of withdrawing to static lines for the winter, it appears that some of the fixed positions of the Nazis already have been overthrown by Red Army units bent on vengeance. The retreat from Moscow is said by the Russians to be a rout, and the Germans have little or nothing to say from day to day.

Contrasting sharply with their previous practices, the Russians at long last are permitting foreign press representatives to visit the front. All such correspondents agree that much war material and thousands of frozen German corpses are being abandoned by the retreating Nazis. From areas 60 to 80 miles west of Moscow, which the Nazis took with difficulty and at great cost, they are rapidly being rolled back. In the northern sector, near Leningrad, the Reich army is being pushed back and the communications of the second Russian city are said to be in process of restoration. In the Donets Basin the defenders also are pushing the Nazis backward. Only on the Crimean Peninsula were the invaders able to make any attacks, with the intent of taking Sevastopol, but that Russian naval base was held.

The desperate plight of the German forces was revealed officially, when Propaganda Minister Paul Joseph Goebbels addressed an appeal to the poorly fed and ill-clothed German populace to send woolen articles of clothing to the Eastern front. In this statement it was conceded that the Russians are more numerous and better equipped than the Reich forces.

The grave miscalculation in Russia by the German commanders was further illustrated by Chancellor Hitler's decision to take supreme command of all German forces and relieve a number of his military aides, foremost among them Field Marshal Gen. Walther von Brauchitsch. The early and rigorous winter was blamed by the Germans for the debacle, but this explanation hardly suffices in view of the winters spent in Russia by German soldiers in the first World War.

Indefinite retreat by the Germans is hardly to be expected, since the Reich lines of communication steadily are being shortened, while the Russian lines lengthen over the wasteland left by two vast armies. There is no doubt, however, that a crisis has arisen in Germany because of the need for retreating, and the further course of the limitless conflict will be influenced to a marked degree by the great December change.

Victory in Libya

Driving steadily westward from their Egyptian and Tobruk bases, British Empire units now have achieved another outstanding victory in the dry Italian desert of Libya, in nothern Africa. This move vies in importance with the Russian thrust against the Nazis, and places the Axis forces at a heavy disadvantage on two fronts. It is quite possible, however, that Hitler and his hordes will endeavor to turn their African defeat into a gain, through strokes that are rumored from a number of European listening posts.

British authorities fully expect, according to London dispatches, that Hitler will attack in force on the Mediterranean battlefield. Spain or Turkey, and perhaps both, are held likely to be invaded by the Germans, in order to alleviate the pangs of their Russian defeat. A move against Gibraltar would necessitate passage through Spain, and possibly the assistance of unoccupied France. Rumors yesterday were that Vichy is being coerced into a movement of this kind. There were also numerous reports, however, of German troop concentrations in the Balkans, and a threat against Turkey and the British-held Near East was seen by some observers. Berlin denied all the reports.

Despite some unfavorable weather, British columns steadily pursued the retreating German and Italian forces in Libya, this week. A rapid march along the coastline gave the British the Italian city of Derna, last Friday, and Bengazi next may fall. South of Bengazi, deep in the desert, a mobile British column raided 450 miles into Italian territory. Reinforcements were rushed by the Italians to their remaining African "Empire," but British cruisers and submarines sank a number of troop transports. There remains the possibility of aerial transport by the Germans of reinforcements to Italian North Africa, since the whereabouts of the main Reich air fleets currently is a mystery.

Western Hemisphere

Sound strategic principles of safeguarding the home front while carrying the war to the enemy obviously are to be applied in Washington, now that the war has engulfed much of the Western Hemisphere. The need for defense of the Americas long has been recognized, and recent measures indicate a rapid extension of the preparations.

The status of the French island of Martinique, in the Caribbean, was settled last week by French and American naval authorities. Rumors to this effect which began to circulate over the last week-end were confirmed in Washington on Monday, by Secretary of State Cordell Hull. As the result of conferences between our own Rear Admiral Frederick J. Horne, and the French High Commissioner, Admiral Georges Robert, arrangements were made which assure the continued neutralization of the strategic island.

Plans are being formulated, meanwhile, for the Pan-American Conference in Rio de Janeiro, at which the representatives of all 21 American Republics will discuss common objectives and possible contributions to the reconstruction which must follow the World War. This meeting is to begin on Jan. 15, with high officials of all American Republics in attendance.

Foremost among the problems of the Pan-American Conference will be that unity which plainly is advisable in the current world crisis. Almost all the American Republics already have declared war against the Axis nations, or have broken diplomatic relations. The Argentine Republic, however, remains on the sidelines, despite some military concessions to the United States. A meeting called in Buenos Aires for paying homage to President Roosevelt was forbidden, last week, by the Argentine authorities.

Items About Banks, Trust Companies

(Continued from page 1661)

The Brooklyn Trust Co., Brooklyn, N. Y., has announced that Everett M. Clark has joined the staff of the institution and will be connected with its Customer Relations Department. Mr. Clark at present is General Chairman of the Brooklyn Committee in the United Hospital Fund 1941 Campaign.

In addition to a Christmas Bonus of one week's salary to employees of the Peoples National Bank of Brooklyn, N. Y., the Board of Directors of the bank, in order to help their employees meet the increased living cost, have announced that a payment of 6% of the weekly salaries paid during the period from Oct. 1 to Dec. 31, 1941, will be made in January, 1942, to all employees whose salaries do not exceed $3,000 annually, excluding officers.

The Bowery Savings Bank, New York City, has announced that it expects to start over-the-counter sale of savings bank life insurance and the issuance of policies by Feb. 1. The announcement was made by Henry Bruere, President, who already has made application to the State Superintendent of Banks for authorization for establishment of a Life Insurance Department by The Bowery. Trustees of the bank have voted for its entry in the life insurance field.

The Bowery will be the 42nd mutual savings bank in the State to establish an insurance department since legislation in 1938 gave savings banks general permission to open such departments and set up regulations for their conduct. Insurance now in force is more than $18,000,000, represented by more than 22,000 policies. Twenty-two of the 57 mutual savings banks in New York City have insurance departments.

Central Savings Bank, New York City, announces that Joseph Campbell was elected to the bank's board of trustees at the regular monthly meeting. Mr. Campbell is Assistant Treasurer of the Trustees of Columbia University, a position which he assumed earlier this year. Prior to that time Mr. Campbell was engaged in active practice as a certified public accountant in New York City.

The Lincoln Savings Bank, Brooklyn, N. Y., announced on Dec. 16 the appointment of Fred G. Kracke as life insurance officer. The bank has been selling life insurance since January, 1939, having, it is stated, been one of the first institutions in the State to be so authorized.

The North River Savings Bank, New York City, on Dec. 17 observed the 75th anniversary of its founding. Harris A. Dunn is President of the institution, which has been located on West 34th Street in Manhattan since it opened for business in December, 1866.

Joseph F. Abbott, President of the American Sugar Refining Co., has been elected a trustee of the Emigrant Industrial Savings Bank, New York City, it was announced on Dec. 12 by Walter H. Bennett, Chairman of the Board of the bank.

Arthur Stiles, President of the Manhattan Savings Institution, New York City, died on Dec. 17 in the Lenox Hill Hospital, New York City, shortly after he was stricken with a cerebral hemorrhage at the bank's main office, 154 East 86th St. He was 63 years old. A native of New York, Mr. Stiles, after graduation from high school, entered the employ of the Manhattan Savings Institution and spent his entire business career with this organization. He was appointed Assistant Secretary in 1916, a Trustee in 1917 and Vice-President and Secretary in 1918. Mr. Stiles became President of the bank in June, 1924; during his presidency the institution more than doubled its deposits.

Arthur M. Aiken, former Vice-President and Comptroller of the Chase National Bank, New York, died on Dec. 4 at his winter home in Fort Lauderdale, Fla. He was 67 years old. Mr. Aiken was born in Texas, and began his banking career as a messenger in the old Chatham National Bank in New York. In 1907 he transferred to the National Copper Bank, and when that institution merged with the Mechanics National Bank in 1910 he became chief clerk of the new bank, the Mechanics and Metal National Bank. In 1915 Mr. Aiken became Assistant Cashier and in 1923 was promoted to cashier. When the Chase National Bank absorbed the Mechanics and Metal National Bank in 1926, Mr. Aiken became Second Vice-President of Chase National and in 1929 also became Comptroller. He retired in 1935.

The Board of Managers of The Half Dime Savings Bank, Orange, N. J., has elected Henry T. Stetson, senior partner of the firm of Stetson & Gormley, attorneys, of Orange and New York, as Vice-President of the bank, effective Jan. 1, next. Mr. Stetson will succeed Frederick H. Williams, who is resigning as acting Vice-President as of Dec. 31. The Board of Managers also announced the election of Harrison G. McFaddin to the Board.

Mr. Stetson is the son of Horace Stetson, who was formerly Treasurer of The Half Dime Savings Bank from 1880 to 1921 and its Vice-President from 1907 to 1921. His firm has been attorney for the bank since 1929.

Mr. Williams whose resignation concludes 47 years of service with the bank, will celebrate his 90th birthday in 1942. He was elected Vice-President in March, 1935, and has been on the Board of Managers since September 1894. He is the bank's oldest living officer. Mr. William's father introduced a special act in the New Jersey State Legislature for the bank's charter.

Mr. McFaddin, the new member of the Board of Managers, is retired from business, having formerly headed the manufacturing firm of H. G. McFaddin & Co., New York.

Emil E. Dieffenbach, Vice-President of the Dime Savings Institution, Newark, N. J., died on Dec. 4 in St. Barnabas Hospital, Newark. Mr. Dieffenbach, who was 79 years old, had also been a consulting metallurgist with the United States Metals Refining Co., Carteret, N. J.

Walter E. Robb, former President of the New Jersey Bankers' Association, died on Nov. 30 at Haverford, Pa. He was 76 years old. A native of Burlington, N. J., Mr. Robb was a former President of the Burlington Savings Institution and the Burlington City Loan and Trust Co. and was an active board member of the former until his death.

Eric G. Johnson, Vice-President of The Penn Mutual Life Insurance Co., has been elected a Director of the First National Bank of Philadelphia. Mr. Johnson has been associated with The Penn Mutual for 13 years, as general agent in Pittsburgh and more recently in Philadelphia as Vice-President in charge of agencies.

Samuel Wheeler Morris, at one time Secretary of the Girard Trust Co., Philadelphia, died on Nov. 29 at his home in Chestnut Hill, Philadelphia. He was 67 years old. Born in Philadelphia, Mr. Morris became associated with the Girard Trust Co. in 1884 and was made Assistant Secretary in 1904. Ten years later he became Secretary. In 1929 Mr. Morris retired to devote more time to his private affairs.

Carl C. Francis, former national bank examiner in New York City and more recently Secretary and Treasurer of the American Bosch Corp., was elected President of The Putnam Trust Company, of Greenwich, Conn. On Dec. 17, according to an announcement by the bank's board of directors. The announcement in the matter says:

> Mr. Francis was for three years President of the Kingsboro National Bank, Brooklyn, prior to its merger with the Colonial Trust Co. He was a national bank examiner in New York City from 1928 to 1936 and, before that, was an assistant national bank examiner in the New York district for four years. Following his graduation from the University of Minnesota in 1916, he began his banking career with the Federal Reserve Bank of Minneapolis. He received his LL.B. degree in 1920 from the Minnesota College of Law. Mr. Francis served in the first World War as a Second Lieutenant in the Field Artillery.
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> Members of the special committee who recommended Mr. Francis to the Board of Directors for the Presidency were: Henry Fletcher, Chairman; Ralph E. Brush, Colby M. Chester, Louis W. Dommerich, H. Arnold Jackson and Robert A. Lee.

Henry Brown Day, senior partner in the Boston banking firm of R. L. Day & Co. and President of the Day Trust Company, died on Dec. 1 at West Newton, Mass. He was 79 years old. In 1880 Mr. Day joined the staff of R. L. Day & Co., which has been founded by his father in 1865, and in 1889 he became partner of the firm. He became a member of the New York Stock Exchange in March 1914, and had been President of Day Trust Co. since its organization in 1929. At the time of his death, Mr. Day was a member of the corporation of the Warren Institution for Savings, an incorporator of the West Newton Savings Bank.

Donald H. Hemingway, Vice-President and a Director of the Second National Bank, New Haven, Conn., died of heart disease on Dec. 11 in the New Haven Hospital. He was 49 years old. Mr. Hemingway had been a Vice-President of the Second National Bank for the past 10 years. His father, the late Samuel Hemingway, and also his grandfather, had been Presidents of the Second National. Mr. Hemingway's brother, Louis L. Hemingway, is the present Chairman of the Bank's Board of Directors.

Directors of the First National Bank of Chicago on Dec. 12 authorized the transfer of $2,000,000 from "interior reserves" to undivided profits and $5,000,000 from undivided profits to surplus. The addition to surplus raised the total to $45,000,000. Capital stock remains at $30,000,000. The Directors also declared the regular quarterly dividend of $2.50 a share on the capital stock, payable Jan. 1.

The Board of Directors of the Continental-Illinois National Bank and Trust Co., Chicago, on Dec. 12 voted to transfer $5,000,000 from undivided profits to the surplus account, thus bringing surplus to $50,000,000, the same as the capital stock account. A similar increase was made in the surplus account

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Petroleum And Its Products

Designed primarily to cope with the war-time conditions under which the nation's petroleum industry is now operating is the new far-reaching plan of oil and gas conservation announced this week by Coordinator of Petroleum Harold L. Ickes which, in effect, places control of the West Coast industry in the hands of the Federal oil executive. Other States, such as Illinois, which are neither members of the Interstate Oil Compact Commission nor have State production measures satisfactory to Coordinator Ickes, may be forced to operate under the same rigid rules that now govern California oilmen.

The new program, designed to assure the maximum producing efficiency in output of California petroleum products for the war in the Pacific and civilian needs, was formulated by the Industry Committee for District 5 at the request of Coordinator Ickes. Following his formal approval this week, only the detail of action by the Committee and California oilmen to place the new rules in effect remained to be accomplished. Since Mr. Ickes recommended immediate action, the new rules virtually became effective with their announcement.

Under the new conservation program, as announced by Mr. Ickes in Washington this week, persons engaged in the petroleum industry may produce, store, sell, market, transport, purchase and handle petroleum and its products only if produced in accordance with conditions imposed by an Industry Committee and "approved" by the Federal Coordinator, which in effect places California oil production and marketing in the hands of Mr. Ickes. "From the military point of view, this plan is essential," he said. "In addition to assuring our supply, it is urgently needed because of the dangers involved in having vast amounts of oil in storage on the surface. California's vital supplies of oil must be protected properly from enemy attack, sabotage, or other dangerous exposure and this plan will make this possible."

The two-fold purpose of the plan, to meet all demands both military and civilian and to conserve petroleum and gas and critical defense materials used in their discovery, development and production, can be achieved, by Mr. Ickes said. This can be done through continuing discoveries of new reserves, by conducting development and production operations in an orderly, efficient manner and by maintaining production "at, but not greater than, a rate sufficient to provide adequate stocks and to fill current needs." Wasteful production of oil or gas is expressly banned, except where the Petroleum Coordinator may certify that there is urgent direct defense demand for additional production from any particular California field.

In announcing the new program, Coordinator Ickes charged the Industry Committee for the California area with the task of "preparing a plan or plans" that will:

1. Assure the proper development, production and utilization of the reserves of petroleum in California.
2. Make petroleum and its products available at the proper places to meet military and civilian needs.
3. Accomplish the most effective use of critical materials.
4. Assure the efficient use of transportation, storage and refinery facilities.
5. Eliminate the drilling of unnecessary wells.
6. Prevent physical waste below and above ground.
7. Assure that natural gas produced in conjunction with petroleum is used primarily for the efficient recovery of petroleum.

Any plan or plans developed, however, it was emphasized, must be submitted to the Petroleum Coordinator and become effective only after he has approved them. "A conservation plan for California no longer is merely a question of local desirability," Mr. Ickes stressed. "It has now become a matter of national necessity." The action was taken under the power given to the Petroleum Coordinator's office by President Roosevelt under the broad authority granted to the President in wartime.

Estimating available crude oil supplies above ground at sufficient for only 50 days, Col. E. O. Thompson, Chairman of the Texas Railroad Commission, told members of the Interstate Oil Compact Commission at their Dec. 19 meeting in Oklahoma City that this supply is "dangerously low." The United States, he continued, should "certainly" store an emergency supply of crude oil above ground totaling 60,000,000 barrels, 'which would not be touched except in dire need." He further suggested that the nation store an additional 50,000,000 barrels of gasoline for a "war reserve." Bombproof underground tanks should be utilized for the storage of both crude and gasoline by the Government, Colonel Thompson said.

Another oil shortage on the East Coast due to the war-created necessity of transferring tankers from the East Coast to the West Coast was foreseen by Representative Cole, head of the House petroleum subcommittee, in his speech at the dedication of the 456-mile southeastern pipeline stretching from St. Joe, Fla., to Chattanooga, Tenn, on Dec. 19. While pointing out that completion of the $5,000,000 pipeline would free tankers formerly serving this territory for service on the West Coast, Representative Cole said: "I see ahead with such certainty, that I am willing to speculate on the early use in the Pacific of tankers moved from the Atlantic service in numbers greater than those recently returned by the British."

In Washington, however, the Maloney subcommittee reported to the Senate on the same day that it contemplates no immediate further activity in its investigation of gasoline and fuel oil shortages, unless new crises arise in connection with petroleum needs of the military and civilians. While reporting that there was no shortage of petroleum and products up to the time of its last hearings in October, the Committee pointed out in a letter accompanying the report that a state of war now exists and any interpretations of the report should be made in the light of that fact. "The exigencies of war may materially change the situation in the future," it was stated, "although, within the past few days, the Petroleum Coordinator has noted that the reserves of petroleum in the Atlantic Coast area are at a comfortable level.'

"Extension of the war to the Pacific Ocean suggests that new problems may arise in relation to the supply of petroleum on the West Coast," it was continued. "Furthermore, the use of petroleum tankerships in the new war zones must be solved and, consequently, civilian adjustments may be necessary. In addition, there is possible future need for curtailment in the civilian uses of high-test gasoline—because of the demand for base stocks and blending agents in the manufacture of high octane, or aviation gasoline. The Committee has kept a check on all means of transportation in an effort to anticipate any possible carrier shortage."

A spurt of more than 200 000 barrels in daily average production of crude oil during the Dec. 20 week lifted the total for the nation to 4 314 150 barrels, the American Petroleum Institute reported. The gain of 204,600 barrels, sharpest in weeks, established a total far above the December market demand estimate of the Bureau of Mines of 4,159,000. Principal factor in the rise was a gain of 227,000 barrels in Texas production, which climbed to 1,703,000 barrels, offset partially by lower production in California and Kansas.

Another successful defense against litigation involving triple-damages was won by the major oil companies convicted of anti-trust law violations at Madison in 1938 in a decision by Federal District Court Judge Patrick T. Stone on Dec. 18 in Wausau, Wis. The Judge ruled, in sustaining a motion for summary judgment against a Lidgerwood, Wis., oil jobber, that a jobber seeking triple damages may not recover a mere increase in price which has resulted from the defendant oil companies' acts in view of the decision in the Twin Port Oil Co. vs. Pure Oil Co. case, which the United States Supreme Court recently refused to review.

There were no price changes.

Prices of Typical Crude per Barrel At Wells

(All gravities where A. P. I. degrees are not shown)

Bradford, Pa.	$2.75
Corning, Pa.	1.31
Eastern Illinois	1.22
Illinois Basin	1.37
Mid-Contin't, Okla., 40 and above	1.25
Smackover, Heavy	0.85
Rodessa, Ark., 40 and above	1.20
East Texas, Texas, 40 and above	1.25
Kettleman Hills, 37.9 and over	1.29
Pecos County, Texas	0.95
Lance Creek, Wyo.	1.12
Signal Hill, 30.9 and over	1.23

Refined Products

The expansion program of the Petroleum Coordinator's Office covering the production of high octane aviation gasoline gained momentum this week under the stimulus of a Supply, Priorities and Allocation Board approval with Coordinator Ickes announcing in Washington on Dec. 21 plans for the world's largest gas cycling plant, to be constructed in Texas. The plant, to be built in the Katy Gas Field in Waller County, will process approximately 275,000,000 cubic feet of gas daily—which will yield nearly 7,500 barrels daily of combined distillate, kerosene, naptha, natural gasoline, butane and isobutane, it was stated.

More than $3,000,000 will be invested in the project by Stanolind Oil & Gas, Humble Oil & Refining and Humble Pipe Line, Mr. Ickes said, with Humble Oil & Refining operating the plant. A preference rating of A-1-a has been assigned to the project to insure speedy construction. Mr. Ickes also disclosed that a model contract has been developed by the Cities Service Co., Defense Service Corp. and his office, calling for the immediate start of a $2,000,000 plant in the Middle West and pointing the way for similar contracts with other refiners.

"Under the provisions of the contract, a loan will be advanced by the Government for part of the construction costs," Mr. Ickes said in commenting upon the new contract. "The entire output of the plant will be purchased by the Government for at least three years. Also contributing materially to the expansion program is a recommendation by the Internal Revenue Commissioner, permitting liberal depreciation for income tax during the life of the contract. The importance of the agreement . . . . lies in the fact that it makes it possible for the refiners to undertake the large investments with some assurance of a market for a sufficient period of a product now used chiefly in war."

A few days previous, Mr. Ickes' office had announced that the Supply, Priorities and Allocation Board had approved the far-reaching plans of the Office of the Petroleum Coordinator for multiplying the nation's capacity to produce 100-octane aviation gasoline. Formal approval of the SPAB was given to the details of the plan as submitted in a confidential memo by Mr. Ickes.

Further seasonal expansion in inventories of finished, unfinished and aviation gasoline developed during the week of Dec. 20 with stocks climbing 1,875,000 barrels to 89,297,000 barrels. The American Petroleum Institute report disclosed that this figure compared with holdings of 81,651,000 barrels on the comparable 1940 date. Production of gasoline gained slightly during the week, rising to 13,687,000 barrels from 13,610,000 barrels a week earlier. A sharp gain in gasoline production over the 11,393,000-barrel figure for the like date a year ago was shown.

A fractional gain in refinery operations lifted the figure to 91.4% of capacity, against 90.4% a week earlier. Daily average runs of crude oil to stills were up 73,000 barrels to 4,070,000 barrels. Holdings of gas oil and distillates showed a normal seasonal drain, easing off to 51,487,000 from 52,809,000 barrels on Dec. 13. Stocks of residual fuel oil were off slightly at 95,560,000 barrels, against 95,762,000 a week earlier. While inventories of gas oil and distillates were substantially above those a year ago, stocks of residual fuel oil were off around 6,000,000 barrels.

There were few price changes in the major refined products in the principal marketing areas throughout the country.

U. S. Gasoline (Above 65 Octane), Tank Car Lots, F. O. B. Refinery

New York—	
Socony-Vac.	$.085
Tide Water Oil	.09
Texas	.085
y Shell Eastern	.085
Other Cities—	
Chicago	.06-.06⅜
Gulf Coast	.06-.06
Oklahoma	.06-.06⅜

y Super.

Kerosene, 41-43 Water White, Tank Car, F. O. B. Refinery

New York (Bayonne)	$.053
Baltimore	.0525
Philadelphia	.0525
North Texas	.04
New Orleans	4.25-4.625
Tulsa	.04⅜-.04¾

Fuel Oil, F. O. B. Refinery or Terminal

N. Y. (Harbor) Bunker C	$1.50
Diesel	2.15
Savannah, Bunker C	1.30
Philadelphia, Bunker C	1.50
Gulf Coast	$.85-.90
Halifax	1.70

Gas, Oil, F. O. B. Refinery or Terminal

N. Y. (Bayonne) 7 plus	$.04
Chicago, 28,30 D	.053
Tulsa	.03⅝

Federal Reserve Board Reports Industrial Activity Is Maintained At High Rate

Industrial activity was maintained at a high rate in November and the first half of December and distribution of commodities continued in large volume, reports the Board of Governors of the Federal Reserve System in its summary of general business and financial conditions in the United States, issued Dec. 20. Our entry into the war was reflected in a sharp advance in the prices of some commodities, some decline in security prices, and further curtailment of nonmilitary production, the Board points out in its summary, which further states:

Production

Volume of industrial output was sustained in November at the high rate of the previous two months, although a decline is usual at this season. The Board's adjusted index advanced from 163 to 167% of the 1935-39 average. In industries engaged in production of armament and munitions activity continued to increase and in most other lines volume of output was maintained or declined less than seasonally.

Output of materials, such as steel and nonferrous metals, was maintained at about capacity. In the automobile industry activity increased, reflecting larger output of both military and civilian products, and at lumber mills and furniture factories activity declined less than seasonally. At cotton and rayon textile mills activity rose to new record levels, and at woolen mills the high production rate of other recent months was maintained. Less than seasonal declines in output were indicated for shoes and manufactured food products.

Crude petroleum production increased further in November. Bituminous coal production declined somewhat owing to temporary shutdowns at some mines during November, and anthracite production was curtailed as a result of unusually warm weather in some areas and the existence of considerable stocks of coal accumulated in earlier months. Iron and ore shipments continued in large volume until the shipping season closed early in December; during 1941 about 80,000,000 tons of ore were brought down the Lakes as compared with the previous record of 65,000,000 tons in 1929. Stocks of ore at lower Lake ports on Nov. 30 amounted to about a seven months' supply at the current consumption rate of around 6,500,000 tons a month.

Following a declaration of war by this country in early December further steps were taken to curtail output of nondefense goods using critical materials. Output quotas for passenger cars and household appliances were greatly reduced and cessation of output of some other products was ordered as of the end of January. Also, the production and sale of new automobile tires and tubes for civilian use were halted temporarily, pending establishment of a system for controlling their distribution.

Value of construction contracts awarded in November declined sharply from the high level of other recent months, according to figures of the F. W. Dodge Corp. Awards for privately-financed construction decreased more than seasonally and contracts for publicly-financed projects also declined following a continued large volume of awards since last spring. Total awards in November were about a fifth larger than a year ago, while for the first 10 months of the year they were three-fifths larger.

Distribution

Volume of retail trade increased in November following some decline in the previous month. Department store sales, as measured by the Board's seasonally adjusted index, advanced to 115% of the 1923-25 average as compared with 105 in October and 116 in September. Larger sales in November were also reported by variety stores. Sales of automobiles increased somewhat, according to trade reports, but, as in other recent months, new car sales were smaller than output and dealers' stocks rose further.

In the second week of December sales at department stores rose less than seasonally, particularly in the coastal regions.

Freight traffic on the railroads continued in large volume in November and the first

Fertilizer Assn. Commodity Index Again Higher

The weekly wholesale commodity price index compiled by The National Fertilizer Association was slightly higher again last week, the result of rising prices for industrial commodities. In the week ended Dec. 20, it was reported Dec. 22, this index advanced to 119.2 from 119.1 in the preceding week. A month ago it was 116.4 and a year ago 98.8, based on the 1935-1939 average as 100.

The farm product price index declined last week as most grain and livestock quotations sagged. Cotton was somewhat higher in price. Price changes in the food group were nearly evenly balanced, with 11 items declining and 10 advancing. The declines in food prices, however, were more than sufficient to offset advances causing a small recession in the food price index. A fractional drop was also registered by the index representing the prices of miscellaneous commodities. Rising prices for cotton and wool resulted in the sixth consecutive advance in the textile index. Although the fuel average advanced moderately, it was still below the level of two weeks ago. Lead and linseed oil prices were higher causing an upturn in the building material index. The farm machinery and mixed fertilizer price indexes were sharply higher, reflecting to some degree the scarcity of materials needed both by defense and by non-defense industries. A further advance in the fertilizer material average was due principally to increasing prices in organic nitrogenous materials.

During the week 35 price series included in the index advanced and 20 declined; in the preceding week there were 39 advances and 3 declines; in the second preceding week there were 31 advances and 10 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association
1935-1939=100*

% Each Group Bears to the Total Index	GROUP	Latest Week Dec. 20, 1941	Preceeding Week Dec. 13, 1941	Month Ago Nov. 15, 1941	Year Ago Dec. 21, 1940
25.3	Foods	116.4	116.6	113.0	90.5
	Fats and Oils	126.2	129.0	122.3	68.1
	Cottonseed Oil	156.0	156.0	141.9	66.7
23.0	Farm Products	123.6	124.4	115.8	90.0
	Cotton	163.5	163.1	155.5	91.2
	Grains	115.0	117.0	106.7	84.6
	Livestock	117.5	118.4	109.3	89.4
17.3	Fuels	112.9	111.9	113.3	101.4
10.8	Miscellaneous Commodities	126.8	126.9	126.3	110.5
8.2	Textiles	140.9	140.8	138.9	112.0
7.1	Metals	104.0	104.0	104.0	103.0
6.1	Building Materials	131.6	131.2	131.1	118.3
1.3	Chemicals and Drugs	112.0	112.0	112.0	103.8
.3	Fertilizer Materials	115.5	114.9	114.9	104.1
.3	Fertilizers	119.7	109.8	107.5	103.3
.3	Farm Machinery	103.4	100.7	100.2	99.6
100.0	All Groups Combined	119.2	119.1	116.4	98.8

*Base period changed Jan. 4 from 1926-1928 average to 1935-1939 average as 100. Indexes on 1926-28 base were: Dec. 20, 1941, 92.9; Dec. 13, 1941, 92.8; Dec. 21, 1940, 77.0

Bank Debits Up 20% From Last Year

Bank debits as reported by banks in leading centers for the week ended Dec. 17 aggregated $14,224,000,000. Total debits during the 13 weeks ended Dec. 17 amounted to $146,954,000,000, or 23% above the total reported for the corresponding period a year ago. At banks in New York City there was an increase of 18% compared with the corresponding period a year ago, and at the other reporting centers there was an increase of 26%.

SUMMARY BY FEDERAL RESERVE DISTRICTS

(In millions of dollars)

Federal Reserve District—	Week Ended Dec. 17, 1941	Week Ended Dec. 18, 1940	13 Weeks Ended Dec. 17, 1941	13 Weeks Ended Dec. 18, 1940
Boston	812	666	8,265	7,084
New York	5,917	5,311	59,080	50,137
Philadelphia	804	654	7,813	6,236
Cleveland	1,027	814	10,642	8,233
Richmond	541	432	5,970	4,618
Atlanta	439	354	4,849	3,723
Chicago	2,110	1,624	21,977	17,455
St. Louis	430	335	4,970	3,728
Minneapolis	255	179	2,870	2,201
Kansas City	411	324	4,525	3,567
Dallas	383	274	3,949	2,945
San Francisco	1,096	856	12,045	9,523
Total, 274 reporting centers	14,224	11,824	146,954	119,450
New York City*	5,444	4,897	54,015	45,935
140 Other leading centers*	7,590	5,982	80,171	63.443
133 Other centers	1,190	944	12,768	10,072

* Included in the national series covering 141 centers, available beginning with 1919.

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half of December. Grain shipments increased considerably and loadings of miscellaneous merchandise, which includes most manufactured products, were maintained at the high level reached several months earlier. Coal loadings declined somewhat, owing in part to temporary shutdowns at some mines. Shipments of most other classes of freight decreased less than is usual at this season.

Commodity Prices

Following the entry of the United States into the war, prices of grains, livestock, and foods rose sharply. Prices of most industrial materials traded in the organized markets, being limited by Federal regulation, showed little change. Additional measures to prevent advances in wholesale prices were soon announced for wool and shellac and for such imported foods as cocoa, coffee, pepper, and fats and oils.

Retail food prices, as measured by the Bureau of Labor Statistics' index, increased 1½% further from the middle of October to the middle of November to a level 18% above a year ago. Indications are that retail prices of both foods and other commodities continued to rise in December.

Bank Credit

Total loans and investments at banks in leading cities continued to advance during November and the first two weeks of December, owing mostly to increased holdings of Government securities at banks outside New York City. Commercial loans, after showing little net change in November, again increased sharply in the first two weeks of December.

Excess reserves increased through most of the period as a result of Treasury expenditures from Reserve Bank balances, but declined sharply on Dec. 15 when these balances were replenished in connection with the issue of $1,600,000,000 of new Government securities. Money in circulation has continued to show a marked increase.

Yields On Unlisted States Government Securities

The yield on 2½% United States Government bonds of 1967-72, which reached a record low level of 2.32% on Nov. 5, advanced somewhat in November and. after the entry of the United States into the war, rose to 2.50%. Yields on short-term Government securities increased further. The yield on Treasury notes of December, 1945, advanced to 0.93% on Dec. 17, compared with 0.62% on Sept. 15, and the rate on three-month bills rose to .295%.

Items About Banks, Trust Companies

(Continued from page 1663)

last July. Since 1934 the bank has made eight additions to its surplus, totaling $40,000,000.

Directors of the Harris Trust & Savings Bank, of Chicago, have authorized the transfer of $1,000,000 from undivided profits to the surplus account, Howard Fenton, President, announced on Dec. 10. The action will increase the surplus account to $9,000,000.

At the same time, the regular quarterly dividend of $3 a share was declared, payable Jan. 2 to holders of record Dec. 19. Mr. Fenton said:

> We have permitted our undivided profits to accumulate in anticipation of the time when it would be desirable to transfer part of that account to surplus. We believe it is particularly timely when deposits are increasing and the demands upon banks in financing the war are likely to be greatly increased.

The Board of Directors of Industrial National Bank of Chicago has declared a regular quarterly dividend of $1.12½ on its preferred stock, a regular quarterly dividend of $.50 a share on its common stock, and an extra dividend of $.50 a share on its common stock, the disbursement of these dividends to be made to stockholders of record Dec. 11.

The Directors also voted to transfer $150,000 from undivided profits to the surplus account, raising surplus from $1,100,000 to $1,250,000.

M. J. Fleming, President of Federal Reserve Bank of Cleveland, announced on Dec. 8 that The Farmers & Merchants Bank of Logan, Logan, Ohio, has been admitted to membership in the Federal Reserve System. The bank, organized in 1910, has a paid-in capital of $100,000. Of the eight directors of the bank six have been identified with the organization in some capacity for more than 20 years. Two of the directors Mr. John G. Collins and Mr. Charles E. Yontz, have been directors since the organization of the bank in 1910. Other directors of the bank are D. E. Harsh, Rolland Bright, Roswell B. Perkins, Merrill Armstrong, R. B. Longstreth and Emerson S. Poston. The officers of the bank are D. E. Harsh, President, Roswell B. Perkins and Charles E. Yontz, Vice-Presidents; Rolland Bright, Cashier; Carl Marsh and Miss Merlin Whitcraft, Assistant Cashiers.

M. J. Fleming, President of the Federal Reserve Bank of Cleveland, has announced the admission of the Alger Savings Bank, Alger, Ohio, and the Peoples Banking Co., McComb, Ohio, to membership in the Federal Reserve System, both effective Nov. 28. These two institutions bring to 16 the number of Ohio State banks to be admitted in the System during the current calendar year.

Payment of the insured claims of depositors of the First National Bank, Dodgeville, Wis., closed by supervisory authorities on Dec. 1, was started on Dec. 12, the Federal Deposit Insurance Corporation announces. Deposits of the bank at the time of closing amounted to about $850,000, all of which, says the FDIC, appears to be insured. This amount was owned by about 1,800 depositors.

Recommendations to stockholders of the Hibernia National Bank in New Orleans, New Orleans, La., that the common capital stock of the bank be increased from $1,500,000 to $2,000,000 by declaration of a stock dividend payable out of undivided profits was voted on Nov. 27 by the institution's Board of Directors and announced by A. P. Imahorn, President.

Andrew L. Knowles, former Vice-President of the Chase National Bank of New York, was drowned on Nov. 30 in a small creek on his estate near Santa Cruz, Calif. He was 78 years old. After retiring as a Vice-President of Chase National, Mr. Knowles became affiliated with the old Pacific Mail Steamship Co. of San Francisco, was an adviser to A. P. Giannini when that San Francisco financier founded the vast Bank of America banking system in California, and for a time was on the staff of the "Coast Banker," financial weekly, according to United Press accounts.

H. D. Ivey, President of the Citizens National Trust & Savings Bank of Los Angeles, announces the appointment of Harry Tipton Steck of Los Angeles as advertising manager of the bank, effective Dec. 15. Irvin Borders, advertising manager of the bank for the last two and one-half years, has resigned to join the sales promotion department of the Columbia Broadcasting System, Los Angeles.

The directors and officers of the Bank of America National Trust and Savings Association, San Francisco, announce the removal of the company's administrative offices on Dec. 8 to its new head office building at 300 Montgomery Street, San Francisco.

The Bank of Montreal announces the election of Richard Green Ivey, K.C., as a director. Mr. Ivey is senior member of the law firm of Ivey and Logan, of London, Ontario, President of the Northern Life Assurance Co. of Canada and President of the London Street Railway Co. He is a director of a number of Canadian corporations, including Canadian General Insurance Co., Bathurst Power and Paper Co., Ltd., Silverwood Dairies, Ltd., and London Realty Co., Ltd.

According to cable advices received by the New York Agent of Barclays Bank (Dominion, Colonial and Overseas), at 120 Broadway, New York City, the Board of Directors has recommended final dividends for the year of 4% actual on the cumulative preference shares and 3½% actual on the "A" and "B" shares, thus making a distribution of 8% per annum and 6½% per annum, respectively, on the three classes of capital (subject to deduction of British income tax in each case). The dividends now declared are the same as for the year 1940 and are payable Dec. 29, 1941. Barclays Bank (Dominion, Colonial and Overseas) operates in British territories overseas, including South, East and West Africa, Egypt and the Sudan, Palestine, the Mediterranean and the British West Indies.

Scrap Export Down From Peak Levels

Exports of scrap steel from the United States in 1941 are expected to total about 930,000 net tons, according to the American Iron & Steel Institute. This will be the first year since 1933 that scrap exports have been less than two million tons. The Institute further goes on to say:

> During the seven years 1934 through 1940, more than 21,701,000 net tons of scrap were shipped to foreign nations, an average of 3,100,000 tons per year. Almost exactly half of that tonnage went to Japan before what amounted to an embargo on scrap exports to Japan went into effect in October 1940.
>
> By comparison with the large tonnage exported in earlier years, scrap exports in the first nine months of 1941 totaled only 696,000 net tons, or at the rate of 930,000 tons for the whole year. The destination of exports is no longer made public.
>
> In two recent years 1937 and 1939, the tonnage of scrap steel shipped out of the United States exceeded four million tons per year.
>
> In 1940, a total of 3,162,000 tons of scrap was shipped abroad despite the fact that no scrap was shipped to Japan in the closing 11 weeks of the year and that war conditions resulted in reduced shipments to almost every other scrap-consuming country except the United Kingdom and Canada.
>
> For the past several months, the American steel industry has been experiencing increasing difficulty in obtaining a sufficient supply of scrap to keep its furnaces running at capacity.
>
> Because of greatly increased steel capacity in recent years and the present need for steel in record-breaking tonnages, scrap is needed in greater tonnages than ever before.

Hawaiian Sugar Crop Cut Reported Small

The plans of the Army and Navy call for the withdrawal of 8,000 acres of land from sugarcane in Hawaii, according to reports received by B. W. Dyer & Co., New York, sugar economists and brokers. This amounts, it is stated, to only 3.4% of the total area of approximately 238,000 acres planted to sugar. Even though this may be the most fertile land in the islands it should not cause much reduction in future sugar production in Hawaii. The firm's announcement further says:

> As the crop is normally harvested in the period November to June, it is reasonable to expect that land will be utilized as cane is harvested. Thus, withdrawal of land should cause no reduction in sugar production from the present crop.
>
> Hawaii normally supplies about one-seventh of the United States' sugar requirements.

Moody's Commodity Index Declines

Moody's Daily Commodity Index declined from 217.6 a week ago to 216.6 this Tuesday. The most important individual change was a drop in the price of wheat.

The movement of the index was as follows:

Tuesday, Dec. 16	217.6
Wednesday, Dec. 17	217.5
Thursday, Dec. 18	216.6
Friday, Dec. 19	216.9
Saturday, Dec. 20	217.0
Monday, Dec. 22	216.5
Tuesday, Dec. 23	216.6
Two weeks ago, Dec. 9	213.4
Month ago, Dec. 12	209.4
Year ago, Dec. 23	169.4
1940 High—Dec. 31	171.8
Low—Aug. 16	149.3
1941 High—Sept. 9	219.9
Low—Feb. 17	171.6

Cotton Ginnings Continue Below 1940 Level

Number of bales of cotton ginned from the growth of 1941 prior to Dec. 15, 1941 and comparative statistics to the corresponding date in 1940 and 1939.

RUNNING BALES
(Counting round as half bales and excluding linters)

State—	1941	1940	1939
United States	*9,915,117	11,430,454	11,276,225
Alabama	772,383	737,720	767,362
Arizona	119,565	117,823	154,592
Arkansas	1,367,592	1,330,620	1,353,804
California	262,094	495,116	405,495
Florida	14,219	17,885	9,620
Georgia	631,853	979,559	904,771
Illinois	5,445	3,092	4,031
Kentucky	17,027	9,892	12,797
Louisiana	309,836	445,583	717,293
Mississippi	1,383,515	1,150,139	1,532,533
Missouri	466,906	337,004	424,611
New Mexico	72,528	99,204	83,141
North Carolina	563,160	717,469	453,639
Oklahoma	616.077	673,749	501,116
South Carolina	402,717	928,200	846,749
Tennessee	569,897	434,173	428.140
Texas	2,317,413	2,933,289	2,666,654
Virginia	22,890	19,937	9,877

*Includes 1,969 bales of the crop of 1941 ginned prior to Aug. 1 which was counted in the supply for the season of 1940-41, compared with 32,187 and 137,254 bales of the crops of 1940 and 1939.

The statistics in this report include 863 round bales for 1941; 3,433 for 1940 and 169,409 for 1939. Included in the above are 42,104 bales of American-Egyptian for 1941; 23,560 for 1940; and 21,539 for 1939; also 2,702 bales Sea-Island for 1941, 4,567 for 1940 and 2,118 for 1939.

The statistics for 1941 are subject to revision when checked against the individual reports being transmitted by mail. The revised total of cotton ginned this season prior to Dec. 1 is 9,593,556 bales.

Consumption, Stocks, Imports, And Exports — United States

Cotton consumed during the month of November, 1941, amounted to 849,733 bales. Cotton on hand in consuming establishments on Nov. 30, was 2,249,638 bales, and in public storages and at compresses 13,964,018 bales. The number of active consuming cotton spindles for the month was 23,069,146.

In the interest of national defense, the Department of Commerce has decided to discontinue until further notice the publication of statistics concerning imports and exports.

World Statistics

Because of war conditions and the difficulties in obtaining dependable world statistics such data are being omitted from this report for the time being.

Electric Output For Week Ended Dec. 20, 1941, Shows 13.0% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Dec. 20, 1941, was 3,448,597,000 kwh. The current week's output is 13.0% above the output of the corresponding week of 1940 when production totaled 3,052,419,000 kwh. The output for the week ended Dec. 13, 1941 was estimated to be 3,431,328,000 kwh., an increase of 14.2% over the corresponding week a year ago.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographic Regions	Week Ended Dec. 20, '41	Week Ended Dec. 13, '41	Week Ended Dec. 6, '41	Week Ended Nov. 29, '41
New England	17.1	19.6	18.2	23.2
Middle Atlantic	10.7	13.3	10.6	9.9
Central Industrial	13.4	16.0	14.3	13.2
West Central	12.8	12.7	11.9	12.8
Southern States	16.4	14.9	13.8	9.3
Rocky Mountain	12.9	17.5	18.7	16.3
Pacific Coast	*7.9	*6.6	*9.8	*12.2
Total United States	+13.0	14.2	13.2	12.3

*Percentage should be higher; data under revision.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended	1941	1940	*Percent Change 1941 from 1940*	1939	1938	1937
July 5	2.866.865	2,425.229	+18.2	2,145.033	1,937,486	2,139,281
July 12	3,141.158	2,651,626	+18.5	2,402,893	2,154,099	2,358,438
July 19	3.162.586	2.681.071	+18.0	2.377.902	2,152,779	2,321,531
July 26	3,183,925	2,760.935	+15.3	2,426,631	2,159,667	2,312,104
Aug. 2	3,226,141	2,762,240	+16.8	2,399,805	2,193,750	2,341,103
Aug. 9	3,196,009	2,743,284	+16.5	2,413,600	2,198,266	2,360,930
Aug. 16	3,200,918	2,745,697	+16.6	2,453,556	2,206,560	2,365,859
Aug. 23	3,193,404	2,714.193	+17.7	2,434,101	2,202,454	2,351,233
Aug. 30	3,223,609	2,736,224	+17.8	2,442,021	2,216,648	2,380,301
Sept 6	3,095,746	2,591,957	+19.4	2,375,852	2,109,985	2,211,398
Sept 13	3,281,290	2,773,177	+18.3	2,532,014	2,279,233	2,338,370
Sept 20	3,232,192	2,769,346	+16.7	2,538,118	2,211,059	2,231,277
Sept 27	3,233,278	2,816,358	+14.8	2,558,538	2,207,942	2,331,415
Oct. 4	3,289,692	2,792,067	+17.8	2,554,290	2,228,586	2,339,384
Oct. 11	3.314,952	2,817,465	+17.7	2,583,366	2,251,089	2,324,750
Oct. 18	3,273,184	2,837,730	+15.3	2,576,331	2,281,328	2,327,212
Oct. 25	3,299,120	2,866,827	+15.1	2,622,267	2,283,831	2,297,785
Nov. 1	3.338,538	2.882.137	+15.8	2.608.664	2,270.534	2.245.449
Nov. 8	3,325,574	2,858,054	+16.4	2,588,618	2,276,904	2,214,337
Nov. 15	3,304,464	2,889,937	+14.3	2,587,113	2,325,273	2,263,679
Nov. 22	3,205,034	2,839,421	+12.9	2,560,962	2,247,712	2,104,579
Nov. 29	3,293,415	2,931,877	+12.3	2,605,274	2,334,690	2,179,411
Dec. 6	3,368,870	2,975,704	+13.2	2,654,395	2,376,541	2,234,135
Dec. 13	3 431.328	3.003.543	+14.2	2.694.194	2,390.388	2,241,972
Dec. 20	3,448,597	3,052,419	+13.0	2,712,211	2,424,935	2,053,944

DATA FOR RECENT MONTHS (Thousands of Kilowatt-Hours)

	1941	1940	*Percent Change 1941 from 1940*	1939	1938	1937
January	13.149,116	11,683,430	+12.5	10,183,400	9,290,754	9,787,901
February	11,831,119	10,589,428	+11.7	9,256,313	8,396,231	8,911,125
March	12,882,642	10,974,335	+17.4	10,121,459	9,110,808	9,886,443
April	12,449,229	10,705,682	+16.3	9,525,317	8,607,031	9,573,698
May	13.218,633	11,118,543	+18.9	9,868,962	8,750,840	9,665,137
June	13,231,219	11,026,943	+20.0	10,068,845	8,832,736	9,773,908
July	13.836,992	11,616.238	+19.1	10.185,255	9,170.375	10,036.410
August	14.118.619	11,924.381	+18.4	10,785.902	9.801.770	10,308,884
September	13,901,644	11,484,529	+21.0	10,653.197	9.486,866	9.908.314
October		12,474,727	---	11,289,617	9,844,519	10,065,805
November		12,213,543	---	11,087,866	9.893,195	9,506,495
December		12,842,218	---	11,476,294	10,372,602	9,717,471
Total for yr.		138,653,997		124,502,309	111,557,727	117.141.591

Daily Average Crude Oil Production for Week Ended Dec. 20, 1941, Up 204,600 Barrels

The American Petroleum Institute estimates that the daily average oil production for the week ended Dec. 20, 1941 was 4,314,150 barrels. This was an increase of 204,600 barrels over the output of the preceding week and the current week's figure was above the 4,139,000 barrels calculated by the U. S. Department of the Interior to be the total of restrictions imposed by the various oil-producing States during December. Daily average production for the four weeks ended Dec. 20, 1941 is estimated at 4,154,550 barrels. The daily average output for the week ended Dec. 21, 1940 totaled 3,621,200 barrels. Further details as reported by the Institute follow:

Reports received from refining companies owning 86.8% of the 4,638,000 barrel estimated daily potential refining capacity of the United States, indicate that the industry as a whole ran to stills, on a Bureau of Mines' basis, 4,070,000 barrels of crude oil daily during the week, and that all companies had in storage at refineries, bulk terminals, in transit and in pipe lines as of the end of the week, 89,297,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 13,687,000 barrels during the week.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*a*B. of M. Calculated Requirements (December)	State Allowables	—Actual Production— Week Ended Dec. 20 1941	Change From Previous Week	4 Weeks Ended Dec. 20 1941	Week Ended Dec. 21 1940
Oklahoma	460,000	428,000	*b*413,150	+ 3,050	416,200	399,500
Kansas	260,700	264,000	*b*251,600	— 4,350	249,350	199,700
Nebraska	6,100	------	*b*5,150	----	5,500	2,700
Panhandle Texas			98,650	+ 10,850	92,650	83,150
North Texas			108,800	+ 1,000	107,900	105,950
West Central Texas			31,550	+ 250	31,250	31,200
West Texas			340,000	+ 49,200	301,650	219,700
East Central Texas			91,600	+ 7,300	87,150	83,250
East Texas			440,700	+ 71,450	387,200	375,100
Southwest Texas			255,700	+ 40,050	226,050	196,500
Coastal Texas			339,000	+ 47,000	303,550	248,500
Total Texas	1,479,700	*c*1,555,192	7,706,000	+227,100	1,537,400	1,343,350
North Louisiana			82,250	+ 550	81,750	68,700
Coastal Louisiana			276,850	+ 850	274,500	221,300
Total Louisiana	340,000	354,705	359,100	+ 1,400	356,250	290,000
Arkansas	76,500	75,297	73,700	+ 100	73,800	68,700
Mississippi	60,300		*b*70,100	— 5,500	73,700	16,600
Illinois	426,500		386,000	— 650	392,900	327,100
Indiana	19,700		*b*20,250	+ 1,600	19,350	20,100
Eastern (not incl. Ill and Ind.)	96,900		95,350	+ 800	94,850	96,000
Michigan	52,300		52,600	— 4,300	54,900	41,800
Wyoming	81,900		84,350	— 1,750	84,600	73,800
Montana	20,700		22,700	+ 100	22,050	18,150
Colorado	5,800		5,300	+ 250	5,300	3,400
New Mexico	116,100	117,000	118,500	+ 750	117,950	101,400
Total East of Calif.	3,503,200		3,663,850	+218,600	3,504,100	3,002,300
California	635,800	*d*613,200	650,300	— 14,000	650,450	618,900
Total United States	4,139,000		4,314,150	+204,600	4,154,550	3,621,200

*a*These are Bureau of Mines' calculations of the requirements of domestic crude oil based upon certain premises outlined in its detailed forecast for the month of December. As requirements may be supplied either from stocks, or from new production, contemplated withdrawals from crude oil inventories must be deducted from the Bureau's estimated requirements to determine the amount of new crude to be produced.

*b*Okla., Kans., Neb., Miss., Ind. figures are for week ended 7 a. m. Dec. 17.

*c*This is the net basic 31-day allowable as of Dec. 1, but experience indicates that it will increase as new wells are completed, and if any upward revisions are made. With a few exceptions the entire State was ordered shut down on Dec. 6, 7, 13, 14, 21, 25, 28 and 30.

*d*Recommendation of Conservation Committee of California Oil Producers.

NOTE:—The figures indicated above do not include any estimate of any oil which might have been surreptitiously produced.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED DEC. 20, 1941

(Figures in Thousands of Barrels of 42 Gallons Each)

District	*Daily Refining Capacity* *Potential Rate*	*P. C. Reporting*	*Crude Runs to Stills* *Daily Aver.*	*P. C. Operated*	*Gasoline Produc'n at Refineries Incl. Natural Blended*	*Stocks Finished & Unfinished Gasoline*	*e Stocks of Gas Oil and Distillates*	*e Stocks of Residual Fuel Oil*	*f Stocks Aviation Gasoline*
East Coast	704	100.0	651	92.5	1,800	20,218	19,693	12,598	(District breakup discontinued)
Appalachian	170	84.1	126	88.1	480	3,253	597	424	
Ind., Ill., Ky.	771	84.7	636	97.4	2,467	16,050	5,253	4,213	
Okla., Kans. Mo.	418	81.1	305	90.0	1,183	8,280	1,843	2,111	
Inland Texas	265	64.9	132	76.7	653	2,403	439	1,221	
Texas Gulf	1,117	91.2	1,023	100.4	3,447	13,372	7,069	7,860	
Louisiana Gulf	172	94.8	158	96.9	441	2,927	1,755	2,407	
No. La. & Arkansas	97	51.5	51	102.0	167	465	300	329	
Rocky Mountain	137	50.4	50	72.5	196	1,174	133	320	
California	787	90.9	548	76.6	1,483	15,705	12,865	62.927	
Reported		86.8	3,680	91.4	12,317	83,847	49,947	94,410	7,003
Est. unreported			390		1,370	5,450	1,540	1,150	405
*a*Est. Total U. S. Dec. 20, 1941	4,638		4,070		13,687	*b*89,297	51,487	95,560	7,408
*a*Est. Total U. S. Dec. 13, 1941	4,622		3,997		13,610	87,422	52,809	95,762	7,280
U. S. B. of Mines *a*Dec. 21, 1940			3,581		11,393	81,651	42,909	101,366	6,340

a Estimated Bureau of Mines' basis. *b* Finished, 81,214,000 bbl.; unfinished, 8,083,000 bbl. *e* At refineries, bulk terminals, in transit and pipe lines. *f* Included finished and unfinished gasoline total.

From Washington

(Continued from First Page)

British, were told that they could not speculate upon how he arrived; when he had arrived. Naturally, this was placed upon the ground of that all-embracing phrase "giving information to the enemy."

It so happens that on Friday, correspondents in Washington of London newspapers had been tipped off by their offices that Churchill was on his way. On Saturday there was not a correspondent in Washington who did not know he was headed this way, and on Saturday night there was a great hullabaloo in the National Press Club over reports that he had already landed. More or less facetiously, it might be noted that this resulted in the election to the vice-presidency of the club of a candidate, who although not a Leftist himself, had the support of the Leftist elements. This can scarcely be considered important but it is a fact.

What is more to the point is that if Washington newspaperdom, an influential and gossipy colony of small town Washington, knew that Churchill was on his way, Hitler's espionage system must have known about it.

There have been, however, more absurd censorship enterprises around here than this. There has been no central authority. A reporter learning that troops were to be sent into an industrial community, and not wanting to use the story without authority, would get a particular War Department official on the phone and be denied permission to use it. Manifestly, the fact that our industrial centers are being guarded should be advertised, not necessarily through the designation of troops, but the fact that they are being guarded should be flaunted as a deterrent. For years in this country stories have been written about the precautions which are taken to preserve the life of the President. A legend has been built up as a deterrent.

The result of the censorship as thus far practised has been to intimidate the Washington newspapermen. At a recent press conference the subject was under discussion. The President expressed his disapproval of any newspaper lumping casualties together. It was all right to have a story about one home boy being killed, but there shouldn't be too many stories of this kind, he said. He was asked about a newspaper that might publish too many of these casualties. He replied that "the government would remember" such papers.

That frightened every newspaperman present. What does a government do when it "remembers" an individual or a newspaper. Does it take punitive action through the income tax or does the President denounce a particular newspaper as being unpatriotic which would be enough to ruin it in these times. Certainly no American newspaper is unpatriotic, though the question of what constitutes patriotism might be, on a particular matter of judgment, debatable.

In view of the situation that has existed, the Washington newspapermen generally, have welcomed the apointment of Byron Price of the Associated Press, as the censor. Price will, it is believed, enforce the rule strictly with a view to not letting the enemy have any information of value. His appointment is one of the best breaks the conservatives have had in many a moon. Price, whom this writer has long known intimately, will have no traffic with preventing criticism of the government. What is more important, he will have no traffic in any Leftist and Rightist conflicts in the government. His one rule will be: Does this give valuable information to the enemy.

His administration of censorship gets the business away from the White House where there has been a tendency to vindictiveness.

Notwithstanding the attack of some columnists and the general tendency in Congress to sneer at the military "brass hats," and also notwithstanding the red faces of the Navy over what happened at Hawaii, the military here is a very realistic group. They are considerably disturbed just now over what is coming out of Germany and Russia. Their attitude is that the news seems just a little bit too good to be true. They can't understand why Hitler and Goebbels are admitting so much. There are some of them who think the confessions in the German high command are a prelude to a surprise venture. In this category, and undoubtedly because of what happened at Hawaii, they are anticipating an attack on Washington during the holidays, or more likely, as they see it, some interesting happenings in South America.

In spite of the fact that the recent order partly reorganizing the country's production set-up seemingly eliminated Leon Henderson from any jurisdiction over the allocation of civilian supplies, leaving him as the price administrator solely, his lieutenants do not look upon it that way. It is a commentary on the confusion of Washington that they still consider they have jurisdiction over non-defense industries and can tell a non-defense industry when to cut down, etc. The general impression exists among informed Washington circles that more reorganization is in the offing, probably the creation of a Supreme War Council.

Wendell Willkie is being frequently mentioned and likely will serve on this council. He is believed to have wanted to be moderator of the industrial-labor conference which has had a hard time getting together. The President is reported to have said rather definitely at his conference with Mr. Willkie that he had a "place" for him in the defense set-up and to have given him the impression he would like for him to take LaGuardia's place as the head of the Office of Civilian Defense. Willkie is said not to want that job yet it would perhaps be a better political vehicle than membership on the so-called Supreme War Council. La Guardia apparently has too many jobs. Anyway, there is rather general dissatisfaction in Washington, even at the White House, over the confusion about blackouts, sirens, air raid wardens and the advice to people as to what they should do in case of a bombing. The general criticism extends to Mrs. Roosevelt but the impression is that Mr. Roosevelt would only like to displace La Guardia. His job has made him a household word, like Hoover's food administration in the last World War. The man who gets into the OCD and brings some order out of the chaos, some definite understanding of what a populace should do and should not do in case of attack, will have accomplished something.

Inasmuch as, in spite of the ballyhoo that will attend the creation of the Supreme War Council, it will be only an advisory body, the thing to watch for is whether Philip Murray of the CIO is a member of it. Mr. Roosevelt is said to be looking for some way to blanket Sidney Hillman. This protege of the New Deal's has not helped labor matters. Too many of the other labor leaders are distrustful of him; John L. Lewis, the AFL leaders, and even Miss Frances Perkins.

In the same light, a story going around Washington and about which it is difficult to tell heads or tails, is that the Council will also be used to blanket Knudsen, if not actually the whole OPM. What is more likely is that it will be just another superstructure in the Washington set-up and that the propaganda play will be that Hillman is one of those it was mostly aimed at.

Knudsen has been the victim of the Washington propaganda ever since he has been here. It will be Hillmans first experience which will be significant. It will mean that his day in the sun with the New Dealers has ended.

Peruvian Sugar Output

Sugar production in Peru during the current 1941-42 season is estimated at 433,000 long tons, as against 424,000 tons in the previous season, an increase of 9,000 tons, equivalent to 2.1%, according to advices received by Lamborn & Co., New York, from Lima. The advices also stated:

> During the crop year ended Aug. 31, 1941, Peruvian sugar exports totaled 327,028 tons, as compared with 318,386 tons in 1939-40.
>
> Of the 1940-41 exports 110,300 tons were shipped to the United States.
>
> Sugar consumption in Peru during 1940-41 totaled 107,848 long tons, as compared with 100,230 tons in the preceding crop year.

Labor Bureau's Wholesale Price Index Rises Sharply In First Week Of War

The Bureau of Labor Statistics of the U. S. Department of Labor announced on Dec. 18 that prices in wholesale commodity markets moved upward sharply after the attack on Pearl Harbor by Japan. Led by an advance of 2.2% for domestic agricultural commodities the Bureau's index of nearly 900 price series rose 1% during the week ended Dec. 13 to the highest level since December, 1929. At 93.1% of the 1926 average, the index is 0.9% above a month ago and more than 16% above the corresponding week of last year.

The Labor Bureau's announcement of Dec. 18 further said:

> Price advances were general, and the indexes for 8 of the 10 major commodity groups rose during the week. In addition to a gain of 2.2% for farm products, chemicals and allied products rose 2%, foods, 1.9%; building materials and housefurnishing goods, 0.4%; textile products and miscellaneous commodities, 0.3%; and metals and metal products, 0.1%. Fuel and lighting materials declined 0.3% and hides and leather products remained unchanged at the level of the preceding week.
>
> There were increases of 4% for livestock and poultry and 3% for grains and quotations were higher for cattle, hogs, lambs, wethers, live poultry and for oats, rye and wheat. Marked increases were reported in prices for foreign wools, for cotton and for hops, seeds, tobacco, beans, onions and potatoes. Prices were lower for citrus fruits and eggs. Meat prices followed the livestock market and rose 4.7%, with fresh pork up more than 12% over a week ago. Fresh beef, veal and dressed poultry rose more than 4%. Quotations were also higher for cereal products, butter, lard, edible tallow, vegetable oils, and for imported foods such as cocoa beans, coffee and pepper. Average wholesale prices of cattle feed advanced 6.8%. The cotton textile markets were active as higher prices for raw cotton permitted increased prices for most fabrics under the sliding scale ceiling set by the Office of Price Administration. The increases ranged from 1 to 3% and affected carded yarns, print cloth, denims, drills and sheeting. Raw jute declined 3.1%.
>
> Minor price advances for farm machinery, motor vehicles, and quicksilver accounted for the slight increase in the metals and metal products group index. Average wholesale prices for building materials rose 0.4% as a result of higher prices for linseed and tung oils, for certain types of lumber, particularly gum and yellow pine, and for oak flooring and red cedar shingles. Oak lumber, yellow pine boards, rosin and turpentine declined.
>
> Following the declaration of war by the United States, prices for imported drugs and for fats and oils rose sharply. Nux vomica advanced 14% and opium rose 13%. An increase of more than 14% for industrial fats and oils brought the index for the group to a point 160% above the level prevailing in August, 1939, prior to the outbreak of the war in Europe.
>
> Wholesale prices for furniture continued to rise.
>
> Prices for fuel and lighting materials were generally steady, except for weakening prices for Pennsylvania fuel oil.
>
> The following tables show (1) index numbers for the principal groups of commodities for the past 3 weeks, for Nov. 15, 1941 and Dec. 14, 1940 and the percentage changes from from a week ago, a month ago, and a year ago (2) percentage changes in subgroup indexes from Dec. 6 to Dec. 13, 1941.

(1926 = 100)

						Percentage changes to Dec. 13, 1941 from—		
	12-13 1941	12-6 1941	11-29 1941	11-15 1941	12-14 1940	12-6 1941	11-15 1941	12-14 1940
Commodity Groups								
All Commodities	93.1	92.2	92.3	92.3	79.7	+1.0	+0.9	+16.8
Farm products	92.8	90.8	91.1	90.7	68.8	+2.2	+2.3	+34.9
Foods	90.4	88.7	89.2	89.6	73.5	+1.9	+0.9	+23.0
Hides and leather products	115.4	115.4	115.4	114.1	102.6	0.0	+1.1	+12.5
Textile products	91.0	90.7	90.6	90.5	74.4	+0.3	+0.6	+22.3
Fuel and lighting materials	79.0	79.2	79.4	79.6	72.5	—0.3	—0.8	+ 9.0
Metals and metal products	103.4	103.3	103.3	103.4	97.6	+0.1	0.0	+ 5.9
Building materials	107.6	107.4	107.4	107.1	99.2	+0.4	+0.7	+ 8.7
Chemicals and allied products	91.5	89.7	89.7	89.5	77.6	+2.0	+2.2	+17.9
Housefurnishing goods	102.3	101.9	101.9	101.6	90.2	+0.4	+0.7	+13.4
Miscellaneous commodities	87.5	87.2	87.1	87.2	77.2	+0.3	+0.3	+13.3
Raw materials	91.4	90.0	90.2	89.9	72.7	+1.6	+1.7	+25.7
Semi-manufactured articles	90.1	89.7	89.6	89.6	80.7	+0.4	+0.6	+11.6
Manufactured products	94.6	93.9	93.9	94.1	83.2	+0.7	+0.5	+13.7
All commodities other than farm products	93.2	92.6	92.6	92.7	82.1	+0.6	+0.5	+13.5
All commodities other than farm products and foods	93.8	93.7	93.7	93.6	84.4	+0.1	+0.2	+11.1

Percentage Changes in Subgroup Indexes from Dec. 6 to Dec. 13, 1941

Increases

Oil and fats	14.2	Other foods	0.8
Cattle feed	6.8	Furniture	0.7
Meats	4.7	Fruits and vegetables	0.4
Livestock and poultry	4.0	Lumber	0.4
Grains	3.0	Drugs & pharmaceuticals	0.2
Agricultural implements	2.4	Dairy products	0.1
Cereal products	1.8	Leather	0.1
Paint & paint materials	1.2	Motor vehicles	0.1
Other farm products	1.1	Other textile products	0.1
Cotton goods	1.0		

Decreases

Petroleum products	0.7	Bituminous coal	0.1

Bonds In Mixed Trend

Some softness has developed currently in the Treasury bond market and also in high-grade corporates. Corporates of medium quality have been rather indeterminate in trend this week while lower grades have declined.

High-grade railroad bonds have been slightly lower but have displayed a firm undertone throughout the week. Medium-grade rails have been mixed while speculative issues have lost ground. Great Northern 5s, 1973, closed unchanged at 93½ while Illinois Central 4s, 1955, at 35¾ lost 2⅛ points. Defaulted rail bonds have been slightly lower.

Utility bonds, particularly investment-grade issues, have displayed considerable stability and price fluctuations have held within a narrow range. Speculative issues have eased somewhat further but changes have been more orderly than in recent weeks. Among those losing ground were Associated Electric 4½s, 1953, International Telephone & Telegraph 4½s, 1952, New England Gas & Electric 5s, 1950, and Standard Gas & Electric 6s, 1948. The Virginia Public Service Company has registered new mortgage bonds and serial notes for future issuance. The North Shore Gas Co. offered for sale $3,700,000 of 1st 4¼s, 1961.

The industrial section of the list has been generally lower this week. Steels ruled at fractional declines. Oils also have generally been off, with the Standard of New Jersey 2¾s, 1953, and the Union of California 3s, 1959, droping 1 to 1¼ points. The Consolidation Coal 5s, 1960, gained over a point but the Hudson Coal 5s, 1962, lost 3¼ points at 33¼. The two rubber company issues declined better than a point and sugar company and meat packing company bonds have been down fractions to a point or better. Perhaps the largest decline in the industrial section has been scored by the Childs Company 5s, 1943, which lost 6½ points at 31.

Among foreign bonds there has been some sizable recovery in Denmark 6s which advanced 10 points to 60. Norwegian loans have likewise been in continued demand at advancing prices. Canadian loans have been steady and fluctuations in Commonwealth loans limited. In the South American list Argentine and Brazilian bonds have developed some softness and Chilean loans declined fractionally. Cuban issues have been mixed.

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1941 Daily Averages	U. S. Govt. Bonds	Avge. Corporate *	Corporate by Ratings *				Corporate by Groups *		
			Aaa	*Aa*	*A*	*Baa*	*R. R.*	*P. U.*	*Indus.*
Dec. 23	117.66	106.21	116.41	113.89	107.44	89.92	95.77	110.15	113.70
22	118.05	106.39	116.41	113.89	107.62	90.20	95.92	110.34	113.89
20	118.24	106.21	116.41	113.70	107.62	90.20	95.77	110.34	113.89
19	118.30	106.39	116.61	113.89	107.80	90.20	95.77	110.52	114.08
18	118.25	106.39	116.80	113.89	107.80	90.06	95.77	110.70	114.08
17	118.21	106.56	116.80	113.89	107.98	90.34	95.92	110.70	114.27
16	118.16	106.56	117.00	114.08	107.98	90.34	96.07	110.70	114.27
15	118.09	106.56	117.00	114.08	107.98	90.06	96.07	110.52	114.08
13	118.13	106.39	116.80	113.70	107.98	90.06	95.92	110.52	113.89
12	118.18	106.21	116.80	113.70	107.80	89.78	95.77	110.52	113.70
11	117.71	106.21	116.61	113.31	107.98	90.06	95.92	110.52	113.50
10	117.70	106.21	116.61	113.31	107.80	89.78	95.77	110.52	113.31
9	118.17	106.39	116.80	113.50	108.16	89.78	95.92	110.88	113.31
8	118.69	107.44	117.80	114.85	109.06	90.91	96.85	111.81	114.85
6	119.59	108.16	118.40	115.43	109.60	91.77	97.31	112.19	115.82
5	119.62	108.16	118.40	115.43	109.60	91.91	97.47	112.19	116.02
4	119.56	108.16	118.60	115.43	109.60	91.91	97.47	112.37	116.02
3	119.58	108.16	118.60	115.43	109.60	91.91	97.47	112.37	116.02
2	119.59	108.16	118.60	115.63	109.60	91.91	97.31	112.37	116.02
1	119.65	108.16	118.40	115.43	109.60	91.91	97.31	112.37	116.02
Nov. 28	119.77	108.16	118.60	115.63	109.60	91.62	97.16	112.37	116.02
21	119.96	108.16	118.60	115.82	109.60	91.77	97.47	112.37	116.02
14	119.98	108.16	118.60	115.82	109.42	91.77	97.31	112.37	116.02
7	120.04	108.34	118.60	116.02	109.60	92.20	97.78	112.37	116.22
Oct. 31	120.03	108.16	118.40	115.82	109.42	92.06	97.47	112.19	116.02
24	119.43	108.16	118.40	115.63	109.42	92.06	97.47	112.19	116.02
17	119.23	107.98	118.40	115.43	109.06	91.77	97.00	112.00	116.02
10	119.16	107.98	118.20	115.24	109.06	91.91	97.16	112.00	116.02
3	119.21	107.98	118.40	115.43	109.06	91.77	97.00	112.00	116.02
Sept 24	118.95	107.44	118.00	114.85	108.70	91.19	96.69	111.81	115.43
17	118.82	107.62	118.20	114.66	108.70	91.48	96.69	111.62	115.43
12	119.02	107.62	118.00	114.66	108.70	91.62	97.00	111.81	115.24
5	119.13	107.80	118.20	114.85	108.88	95.06	97.31	112.00	115.24
Aug. 29	119.14	107.80	118.40	114.85	108.88	91.77	97.16	111.81	115.43
July 25	119.55	107.80	118.00	115.24	108.52	92.06	97.47	112.00	115.04
June 27	119.45	107.44	118.00	114.66	107.80	91.77	97.16	114.44	114.66
May 29	118.71	106.39	116.61	113.31	107.09	91.05	96.69	110.70	112.75
Apr. 25	118.62	106.21	116.61	112.75	106.56	91.19	96.69	110.34	112.19
Mar. 28	117.80	105.86	116.41	112.19	106.04	91.05	96.54	109.79	111.81
Feb. 28	116.93	105.86	117.20	112.93	106.21	89.78	95.92	109.79	112.75
Jan. 31	117.14	106.39	118.00	113.70	106.39	90.48	96.85	109.79	113.70
High 1941	120.05	108.52	118.60	116.02	109.60	92.50	97.78	112.56	116.41
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.62
High 1940	119.63	106.74	119.00	115.04	106.74	89.92	96.07	110.88	114.85
Low 1940	113.02	99.04	112.19	109.60	99.52	79.37	86.38	105.52	106.56
1 Year ago									
Dec. 23, 1940	119.26	106.56	118.80	114.66	106.56	89.51	95.77	110.52	114.46
2 Years ago									
Dec. 23, 1939	115.49	101.31	114.46	111.07	100.65	83.15	89.23	106.56	109.79

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1941 Daily Average	Avge. Corporate	Corporate by Ratings				Corporate by Groups		
		Aaa	*Aa*	*A*	*Baa*	*R. R.*	*P. U.*	*Indus.*
Dec. 23	3.38	2.83	2.96	3.31	4.42	4.02	3.16	2.97
22	3.37	2.83	2.96	3.30	4.40	4.01	3.15	2.96
20	3.38	2.83	2.97	3.30	4.40	4.02	3.15	2.96
19	3.37	2.82	2.96	3.29	4.40	4.02	3.14	2.95
18	3.37	2.81	2.96	3.29	4.41	4.02	3.13	2.95
17	3.36	2.81	2.96	3.28	4.39	4.01	3.13	2.94
16	3.36	2.80	2.95	3.28	4.39	4.00	3.13	2.94
15	3.36	2.80	2.95	3.28	4.41	4.00	3.14	2.95
13	3.37	2.81	2.97	3.28	4.41	4.01	3.14	2.96
12	3.38	2.81	2.97	3.29	4.43	4.02	3.14	2.97
11	3.38	2.82	2.99	3.28	4.41	4.01	3.14	2.98
10	3.38	2.82	2.99	3.29	4.43	4.02	3.14	2.99
9	3.37	2.81	2.98	3.27	4.43	4.01	3.12	2.99
8	3.31	2.76	2.91	3.22	4.35	3.95	3.07	2.91
6	3.27	2.73	2.88	3.19	4.29	3.92	3.05	2.86
5	3.27	2.73	2.88	3.19	4.28	3.91	3.05	2.85
4	3.27	2.72	2.88	3.19	4.28	3.91	3.04	2.85
3	3.27	2.72	2.88	3.19	4.28	3.91	3.04	2.85
2	3.27	2.72	2.87	3.19	4.28	3.92	3.04	2.85
1	3.27	2.73	2.88	3.19	4.28	3.92	3.04	2.85
Nov. 28	3.27	2.72	2.87	3.19	4.30	3.93	3.04	2.85
21	3.27	2.72	2.86	3.19	4.29	3.91	3.04	2.85
14	3.27	2.72	2.86	3.20	4.29	3.92	3.04	2.85
7	3.26	2.72	2.85	3.19	4.26	3.89	3.04	2.84
Oct. 31	3.27	2.73	2.86	3.20	4.27	3.91	3.05	2.85
24	3.27	2.73	2.87	3.20	4.27	3.91	3.05	2.85
17	3.28	2.73	2.88	3.22	4.29	3.94	3.06	2.85
10	3.28	2.74	2.89	3.22	4.28	3.93	3.06	2.85
3	3.28	2.73	2.88	3.22	4.29	3.94	3.06	2.85
Sept 24	3.31	2.75	2.91	3.24	4.33	3.96	3.07	2.88
17	3.30	2.74	2.92	3.24	4.31	3.96	3.08	2.88
12	3.30	2.75	2.92	3.24	4.30	3.94	3.07	2.89
5	3.29	2.74	2.91	3.23	4.27	3.92	3.06	2.89
Aug. 29	3.29	2.73	2.91	3.23	4.29	3.93	3.06	2.88
July 25	3.29	2.75	2.89	3.25	4.27	3.91	3.06	2.90
June 27	3.31	2.75	2.92	3.29	4.29	3.93	3.09	2.92
May 29	3.37	2.82	2.99	3.33	4.34	3.96	3.13	3.02
Apr. 25	3.38	2.82	3.02	3.36	4.33	3.96	3.15	3.05
Mar. 28	3.40	2.83	3.05	3.39	4.34	3.97	3.18	3.07
Feb. 28	3.40	2.79	3.01	3.38	4.43	4.01	3.18	3.02
Jan. 31	3.37	2.75	2.97	3.37	4.37	3.95	3.18	2.97
High 1941	3.42	2.84	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.83
High 1940	3.81	3.06	3.19	3.78	5.24	4.68	3.42	3.36
Low 1940	3.35	2.70	2.90	3.35	4.42	4.00	3.12	2.91
1 Year ago								
Dec. 23, 1940	3.36	2.71	2.92	3.36	4.45	4.02	3.14	2.93
2 Years ago								
Dec. 23, 1939	3.67	2.93	3.11	3.71	4.93	4.47	3.36	3.18

* These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

† The latest complete list of bonds used in computing these indexes was published in the issue of Oct. 2, 1941, page 409.

Steel Output To Reach All-Time Holiday High—New Production Goals Being Set

Pressure for increased production of war materials and equipment from American plants this week was reaching levels which are already making the pre-war (before Dec. 7) efforts look unimpressive by comparison, according to "The Iron Age" of Dec. 25, which further goes on to say:

> Typical of the new production goals being set as a result of U. S. entry into a shooting war is that of the machine tool industry. Long under forced draft because of its strategic position in the flow from raw materials to ships, tanks and planes, the machine tool makers are now being asked to lift production 50 to 100%. Those figures apply specifically to machine tool plants manufacturing for the airplane, anti-aircraft and machine gun industries, but the entire machine tool industry is now being asked for a big increase in production.
>
> Emphasizing the speed with which industry is being converted to a wartime basis, steel manufacturers estimate that within the next 60 days as much as 90% of production at some plants will be earmarked for war use. Projected shipping schedules for December indicated that 68 to 70% would go for war needs but these figures are being altered by Pearl Harbor.
>
> On all sections of the industrial front are signs that the U. S. at war is little like the U. S. at peace. News that the auto-aviation industry program for production of bombers is months ahead of schedule came in an announcement from the Office of Production Management that the first Army bomber assembled from parts fabricated by the automobile industry will roll off the line of the new North American Aviation plant in Kansas City early in January.
>
> For another week all the emphasis has been on great war production, with the needs of peacetime plants unable to get materials or defense orders still largely overshadowed by the demands of war. Effects of the war so far on the farm equipment industry suggest that the industry faces a very sharp decline in production but that the need for increasing food production for U. S. allies complicate the problem and may enable farm equipment makers to escape with a 1942 output cut of only 20%.
>
> Progress in the conversion of peacetime plants to war production is reported on many sectors, particularly in the automobile, electrical supply and washing machine industries. Washing machine makers are manufacturing machine guns. Vacuum cleaner manufacturers have been converted to small fittings of all kinds. Safe and lock companies have started to make gun parts and calculating machine companies are now engaged in the production of shell fuses and fitting pins.
>
> Despite the virtual stoppage of non-defense orders for steel, incoming defense orders for vital war use are lifting December bookings slightly above orders for the corresponding period of November. The necessity for some adjustment in the priority and allocation setup grows every day with some orders for military projects reported blocked by orders for less essential use which up to now have been entitled to high priority ratings.
>
> Allocations of steel plates have been more effective in recent weeks, and the steel industry believes that the Adams group committee should facilitate the flow of steel toward the more vital war channels.
>
> The steel industry this week is foregoing, to a great extent, the usual Christmas shutdown to avoid any unnecessary loss of vital steel supplies. Ingot operations for the current week are estimated by "The Iron Age" at 93.5%, a decline of four points from a week ago. Had the holiday been observed as in the past, the rate would have declined from 15 to 20 points. In the Christmas week of 1940, the rate dropped 17 points.
>
> The only large area to show a rise this week is Chicago, which reports a gain of one point to 104%. Both Youngstown and Pittsburgh are down 9 points this week to 88%. Philadelphia declined 1½ points to 89%. Cleveland was off a half point to 99.5%, Wheeling dropped four to 82%, the South declined 2 to 95.6%, the West lost 2 to 95%, St. Louis declined 14 to 102%, and the Eastern district eased 5 points to 104%, Buffalo was unchanged at 90%, while Detroit gained 1½ points to 107.5%.

THE "IRON AGE" COMPOSITE PRICES

Finished Steel

Dec. 23, 1941, 2.30467c. a Lb.

One week ago	2.30467c.
One month ago	2.30467c.
One year ago	2.30467c.

A weighted index based on steel bars, beams, tank plates, wire, rails, black pipe, hot and cold-rolled sheets and strip. These products represent 78% of the United States output.

	High		Low	
1941	2.30467c.	Sep 2	2.30467c.	Sep 2
1940	2.30467c.	Jan 2	2.24107c.	Apr 16
1939	2.35367c.	Jan 3	2.26689c.	May 16
1938	2.58414c.	Jan 4	2.27207c.	Oct 18
1937	2.58414c.	Mar 9	2.32263c.	Jan 4
1936	2.32263c.	Dec 28	2.05200c.	Mar 10
1935	2.07642c.	Oct 1	2.06492c.	Jan 8
1934	2.15367c.	Apr 24	1.95757c.	Jan 2
1933	1.95578c.	Oct 3	1.75836c.	May 2
1932	1.89196c.	Jly 5	1.83901c.	Mar 1
1931	1.99629c.	Jan 13	1.86586c.	Dec 29
1930	2.25488c.	Jan 7	1.97319c.	Dec 9
1929	2.31773c.	May 28	2.26498c.	Oct 29

Pig Iron

Dec. 23, 1941, $23.61 a Gross Ton

One week ago	$23.61
One month ago	23.61
One year ago	22.61

Based on averages for basic iron at Valley furnaces and foundry iron at Chicago, Philadelphia, Buffalo, Valley and Southern iron **at** Cincinnati

	High		Low	
1941	$23.61	Mar 20	$23.45	Jan 2
1940	23.45	Dec 23	22.61	Jan 2
1939	$22.61	Sep 19	$20.61	Sep 12
1938	23.25	Jun 21	19.61	Jly 6
1937	23.25	Mar 9	20.25	Feb 16
1936	19.74	Nov 24	18.73	Aug 17
1935	18.84	Nov 5	17.83	May 14
1934	17.90	May 1	16.90	Jan 27
1933	16.90	Dec 5	13.56	Jan 3
1932	14.81	Jan 5	13.56	Dec 6
1931	15.90	Jan 6	14.79	Dec 15
1930	18.21	Jan 7	15.90	Dec 16
1929	18.71	May 14	18.21	Dec 17

Steel Scrap

Dec. 23, 1941, $19.17 a Gross Ton

One week ago	$19.17
One month ago	19.17
One year ago	21.42

Based on No. 1 heavy melting steel scrap quotations to consumers **at Pittsburgh, Philadelphia, and Chicago.**

	High		Low	
1941	$22.00	Jan 7	$19.17	Apr 10
1940	21.83	Dec 30	16.04	Apr 9
1939	22.50	Oct 3	14.08	May 16
1938	15.00	Nov 22	11.00	Jun 7
1937	21.92	Mar 30	12.92	Nov 10
1936	17.75	Dec 21	12.67	Jun 9
1935	13.42	Dec 10	10.33	Apr 29
1934	13.00	Mar 13	9.50	Sep 25
1933	12.25	Aug 8	6.75	Jan 3
1932	8.50	Jan 12	6.43	Jly 5
1931	11.33	Jan 6	8.50	Dec 29
1930	15.00	Feb 18	11.25	Dec 9
1929	17.58	Jan 29	14.08	Dec 3

The American Iron and Steel Institute on Dec. 22 announced that telegraphic reports which it had received indicated that operating rate of steel companies having 91% of the steel capacity of the industry will be 93.4% of capacity for the week beginning Dec. 22, compared with 97.9% one week ago, 95.9% one month ago and 80.8% one year ago. This represents a decrease of 4.5 points or 4.6%, from the preceding week. Weekly indicated rates of steel operations since Dec. 2, 1940, follow:

1940—	
Dec 2	96.9%
Dec 9	96.0%
Dec 16	96.8%
Dec 23	80.8%
Dec 30	95.9%
1941—	
Jan 6	97.2%
Jan 13	98.5%
Jan 20	96.5%
Jan 27	97.1%
Feb 3	96.9%
Feb 10	97.1%
Feb 17	94.6%
Mar 3	97.5%
Feb 24	96.3%
Mar 10	98.8%
Mar 17	99.4%
Mar 24	99.8%
Mar 31	99.2%
Apr 7	99.3%
Apr 14	98.3%
Apr 21	96.0%
Apr 28	94.3%
May 5	96.8%
May 12	99.2%
May 19	99.9%
May 26	98.6%
Jun 2	99.2%
Jun 9	98.6%
Jun 16	99.0%
Jun 23	99.9%
Jun 30	91.8%
Jly 7	94.9%
Jly 14	95.2%
Jly 21	96.0%
Jly 28	97.6%
Aug 4	96.3%
Aug 11	95.6%
Aug 18	96.2%
Aug 25	96.5%
Sep 2	96.3%
Sep 8	96.9%
Sep 15	96.1%
Sep 22	96.8%
Sep 29	96.9%
Oct 6	98.1%
Oct 13	98.4%
Oct 20	97.8%
Oct 27	99.9%
Nov 3	98.2%
Nov 10	96.6%
Nov 17	97.0%
Nov 24	95.9%
Dec 1	97.6%
Dec 8	97.5%
Dec 15	97.9%
Dec 22	93.4%

"Steel" of Cleveland, in its summary of the iron and steel markets, on Dec. 22 stated:

> Reaction of steel consumers to a state of war is distinctly helpful and effort to obtain steel for non-essential purposes is disappearing. In addition, steel-makers are receiving requests to hold up shipments now on books or to cancel tonnages for which buyers have no outlet.
>
> Curtailment of automobile and household appliance manufacture has caused numerous steel users to cancel previous bookings in order that war needs may be met more easily. This includes many steel products, notably wire and narrow cold-rolled strip. Pig iron requirements filed for January have been considerably less than for previous months in the case of numerous melters. This is attributed to an increase in foundry inventory, due to lessened demand for castings where their use was delayed by inability to obtain other materials.
>
> In the Cleveland district steel mills have had requests from several customers to hold shipments until January on contracts scheduled and promised for December. The purpose is to co-operate fully with OPM in the effort to prevent accumulation of unreasonably large inventory.
>
> Inquiry for many steel products is light, in some cases much below normal, in spite of war demand. Customers without priority are not seeking to place further tonnage as they already have orders on books without delivery promise.
>
> Expected sharp increase in war demand has not appeared yet, but is in the making and will be felt soon. A quickening is apparent in some lines of ordnance manufacture and large orders may be placed soon. A number of bomb inquiries are before the trade. One involves several hundred tons of 30-gage sheets and another sheet tonnage is for bomb fins. Stovemakers, whose regular output has been limited, are figuring on contracts for bomb clusters.
>
> Among the few definite indications of needs resulting from war in the Pacific is an order for steel sheet piling placed with a Chicago mill for repairs at Pearl Harbor.
>
> Steel production last week was at 97½%, the same as for the preceding week. Lack of scrap held back a higher rate at several points. Christmas observance probably will cut into output this week, but the decline probably will be less than usual. Chicago advanced 1½ points to 103%, close to its all-time high. Birmingham was 5 points higher at 95%, Cincinnati up 4 points to 95 and Cleveland advanced ½ point to 94½%. St. Louis dropped 5 points to 91%. Pittsburgh 2 points to 96 and Wheeling 3 points to 91. Unchanged rates were maintained at Buffalo, 97%; Detroit, 90; Eastern Pennsylvania, 87; New England, 84; Youngstown, 92.
>
> While complete scrap allocation has not been put in effect, awaiting detailed reports from the industry, a number of specific orders have been issued to divert supply to steelmakers nearing the point of shutting down. Following the order for shipment of 10,000 tons to Inland Steel Co. other Chicago mills have asked allocations, evidently fearing the effect of the Inland order on their sources of supply. Two melters in the St. Louis district have been given allocations to prevent severe interruption of steel output. Curtailment of automobile production in the Detroit area is expected to reduce materially the volume of scrap available to local mills. Munitions manufacture is not expected to make good this loss. A plan has been worked out for reclaiming empty tin containers from army posts, said to be about 1,600 tons monthly.
>
> An order by Office of Price Administration freezes prices on resale of steel and iron products by warehouses and other distributors at the level of April 16, 1941. The order includes seconds, rejects and used products. The only exception is in case of sales of less than standard packages or units at retail. Extras and discounts in effect April 16 will apply.
>
> Navy and merchant shipbuilders are working on a plate standardization program, affecting weights, widths and lengths, in an effort to expedite shipments. Merchant shipbuilders are expected to find this an easier task than navy yards. One cause of delay in in deliveries has been the large number of differing specifications for material used for essentially the same purpose.
>
> Railroads continue to place orders for locomotives, with diesel-electric preponderating. Considerable export business in cars and locomotives is being placed. Expectation of heavier iron ore movement next year has caused one important road in the Northwest to buy 250 ore cars.
>
> Automobile production dropped to a new low last week, with 65.875 units assembled, compared with 95,990 the preceding week. This was to meet the restriction imposed by the government for December output. In the corresponding week last year production was 125,350 cars.
>
> Price composites continue frozen: Finished steel, $56.73; semi-finished steel, $36; steelmaking pig iron, $23.05; steelmaking scrap, $19.17.

Canadians Urged To Endure Price Control As Means Of Avoiding Inflation Catastrophe

It is to the interest of all Canadians to endure willingly a temporary unpleasant condition of price regimentation to avoid the catastrophe to everyone that must necessarily follow inflation, and this is especially true of the wage earner and the person of small or moderate means, C. H. Carlisle, President of The Dominion Bank. Canada, told stockholders at the 70th annual meeting of the bank held in Toronto on Dec. 10. "In the implementing of price control there will be many inequalities to be adjusted, and if efficiently administered these adjustments will require to be made rapidly," Mr. Carlisle said. "Once such adjustments are made there should be no major difficulties. In normal conditions we would be opposed to regimentation, but we are in abnormal times which are most serious and, therefore, require abnormal treatment.

"Our Government is attempting to control inflation and to maintain sound money," Mr. Carlisle added, pointing out that a stabilized currency should at all times bear relation to the required volume of business. He continued:

> The basis of sound pricing is economic costs. Price control is necessarily a complicated operation, but we hope at least that it will prove a possible operation. It requires the unified cooperation of all concerned.
>
> The Canadian Chartered Banks at present have loaned to worthy borrowers, in amounts both large and small, $1,458,348,000, and have invested in Federal, provincial and municipal securities $1,539,498,000. These vast sums are distributed to about every phase of commercial activity, and as well to the home builder and, for specified periods, to governments. The banks are not permitted to make loans against real estate or other fixed assets, the object being to keep the banks in a liquid position at all times.

Stating that The Dominion Bank is in a sound position and fully prepared to assist to the fullest extent in the Nation's war effort, Robert Rae, general manager, in his address to stockholders, reported increases for the year ended Oct. 31, 1941, in net profits, total deposits, which were at a figure of $143,151,534, total investments, commercial loans and discounts.

The Dominion Bank's annual statement was referred to in these columns of Nov. 27, page 1207.

Sees Ever-Normal Granary Food Reserves Defense Contribution

Reserves of food, feed and fiber stored in Ever-Normal Granary in times of abundance under commodity loan programs are making effective contribution to national defense, said J. B. Hutson, President of the Commodity Credit Corp. in his annual report to the Secretary of Agriculture on the activities of the corporation in the fiscal year 1940-41. Advices on Dec. 16 from the Department of Agriculture regarding the report said:

> Lend-lease requirements for cotton, corn, tobacco, wheat, and naval stores are supplied from stocks accumulated through loans and purchases by Commodity Credit, Mr. Hutson's report stated, while corn reserves accumulated in years of surplus harvest are providing additional feed supplies required for the planned expansion of the production of pork, dairy, and poultry products.
>
> Commodity Credit loans and purchases amounted to approximately $513,000,000 during the 12 months of the fiscal year ended June 30, 1941. The commodities affected include cotton, corn, wheat, rye, barley, grain sorghums, tobacco, peanuts, prunes, raisins, turpentine, rosin, dairy products, and seed for conservation practices.
>
> Substantial quantities of commodities, particularly cotton and wheat, pledged for loans in 1940 were redeemed in 1941 and sold by producers. Heavy liquidations of corn stocks during the fiscal year were also reported.
>
> The total of loans and purchases is the largest expended in any one fiscal year, and is an increase of $117,000,000 over the previous year. The investment in commodities at the close of the fiscal year

amounted to approximately $1,100,000,000. Appraisal of the assets and liabilities of the Commodity Credit Corporation indicated an accumulated deficit of approximately $172,000,000 for the entire life of the organization from October, 1933, of which a substantial part is described as a "paper deficit" representing the difference between the investment in commodities and market values as of the date on which official inventory was made.

Pension Fund Report

The election of the Rt. Rev. Noble C. Powell, D. D., of Baltimore, as a Trustee of The Church Pension Fund of the Protestant Episcopal Church was announced on Dec. 16 by Bishop Cameron J. Davis, President of the Board of Trustees. Bishop Powell, who was recently consecrated as Bishop Coadjutor of the Diocese of Maryland and was formerly the Dean of St. Alban's Cathedral in Washington, succeeds the late Bishop Lawrence of Massachusetts whose death at the age of 91 occurred on Nov. 6. It was Bishop Lawrence who, 25 years ago, raised over $8,000,000 to start The Church Pension Fund, the pension system for the clergy, their wives and children, of the Protestant Episcopal Church. The election of Bishop Powell took place at the annual meeting of the Board of Trustees, at which all of the present officers were reelected, including Bishop Washburn of Newark, and Frank L. Polk as Vice-Presidents, Bradford B. Locke as Executive Vice-President and J. P. Morgan as Treasurer. In his preliminary report to the Trustees, Bishop Davis pointed out that on March 1 of next year The Church Pension Fund will have completed a quarter of a century of successful operation during which over $21,000,000 has been paid out in pensions to Episcopal clergymen, their widows and minor orphans. "The present pension roll includes the names of about 2,500 beneficiaries," Bishop Davis said, "and is at the rate of over $1,370,000 a year. The total present pension roll still represents an increase of almost 40% over what the total would have been if the Fund were simply paying the pensions as originally promised in its rules." This increase, he pointed out, is the result of a program of expansion voluntarily undertaken some years ago by the Trustees as the result of careful management and fortunate circumstances. The announcement regarding the Fund also said:

> Although Bishop Davis' report was necessarily tentative, he stated that the assets of the Fund are expected to amount to approximately $35,500,000 at the end of the current year with a present market value in excess of that figure. He pointed out, however, that the average interest rate earned on the Fund's reserve liabilities was only 3.01% in 1940 but that he hoped for a somewhat higher figure for 1941. He stressed the fact that the annual cost of administering the Fund, which covers the entire Church, amounts to only about ⅓ of 1% of its assets.
>
> Aside from interest earnings, the Fund is supported by assessments levied against every parish, mission and other ecclesiastical organization of the Church. In commenting upon this phase of the Fund's administration, Bishop Davis pointed out that the unpaid assessments during the entire history of the Fund amount to less than 1/5 of 1% of the total payable.

Weekly Statistics of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	*Orders Received Tons*	*Production Tons*	*Unfilled Orders Remaining Tons*	*Percent of Activity*	
				Current	*Cumulative*
1940—*Month of—*					
January	528,155	579,739	167,240	72	71
February	420,639	453,518	137,631	70	71
March	429,334	449,221	129,466	69	70
April	520,907	456,942	193,411	70	70
May	682,490	624,184	247,644	76	72
June	508,005	509,781	236,693	79	73
July	544,221	587,339	196,037	72	73
August	452,613	487,127	162,653	74	73
September	468,870	470,228	163,769	72	73
October	670,473	648,611	184,002	79	73
November	488,990	509,945	161,985	77	73
December	464,537	479,099	151,729	71	73
1941—*Month of—*					
January	673,446	629,863	202,417	75	--
February	608,521	548,579	261,650	81	--
March	652,128	571,050	337,022	82	--
April	857,732	726,460	447,525	83	--
May	656,437	602,323	488,993	84	--
June	634,684	608,995	509,231	88	--
July	509,231	807,440	737,420	86	--
August	659,722	649,031	576,529	94	--
September	642,879	630,524	578,402	94	--
October	839,272	831,991	568,264	99	--
November	640,188	649,021	554,417	98	--
1941—*Week Ended—*					
July 5	149,197	129,019	529,633	74	82
July 12	147,365	131,531	542,738	77	82
July 19	168,431	156,989	550,902	92	81
July 26	182,603	160,609	572,532	92	82
Aug. 2	159,844	159,272	572,635	93	83
Aug. 9	174,815	159,894	587,498	91	83
Aug. 16	169,472	162,889	592,840	92	83
Aug. 23	158,403	162,964	584,484	94	83
Aug. 30	157,032	163,284	576,529	97	84
Sept. 6	147,086	133,031	591,414	80	84
Sept. 13	164,057	166,781	589,770	98	84
Sept. 20	176,263	166,797	583,716	99	84
Sept. 27	155,473	163,915	578,402	98	85
Oct. 4	176,619	168,256	582,287	100	85
Oct. 11	159,337	164,374	575,627	99	85
Oct. 18	167,440	165,795	574,991	98	86
Oct. 25	165,279	168,146	568,161	100	86
Nov. 1	170,597	165,420	568,264	99	86
Nov. 8	169,585	159,860	576,923	97	86
Nov. 15	156,394	165,397	570,430	99	87
Nov. 22	145,098	160,889	550,383	96	87
Nov. 29	169,111	164,875	554,417	101	87
Dec. 6	181,185	166,080	567,373	102	87
Dec. 13	149,021	163,226	553,389	101	88

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders

World Prices Steady

General Motors Corp. and Cornell University, which prior to the European war had collaborated in the publication of a world commodity price index, have resumed issuance of international price statistics, but on a different basis than before the war. Instead of a composite index of world prices, these organizations now are publishing the information only as individual country indexes.

The index is built upon 40 basic commodities and the list is the same for each country in so far as possible. Each commodity is weighted uniformly for each country, according to its relative importance in world production. The actual price data are collected weekly by General Motors overseas operations from sources described as "the most responsible agencies available in each country, usually a government department." The commodities involved include "a comprehensive list of several groups, including grains, livestock and livestock products, miscellaneous foods (coffee, cocoa, tea, sugar, &c.), textiles, fuels, metals and a list of other miscellaneous materials (rubber, hides, lumber, newsprint, linseed oil, &c.)." Weights assigned in the index to the different commodity groups are as follows: Grains, 20; livestock and livestock products, 19; vegetable fats and other foods, 9; textiles, 12; fuel, 11; metals, 11; miscellaneous, 18.

The indexes, which are based on prices expressed in the currency of each country, were reported Dec. 22 as follows:

(August, 1939=100)

	Argentina	*Australia*	*Canada*	*England*	*Java*	*Mexico*	*New Zeal'd*	*Sweden*	*Switzerland*	*United States*
1940—										
May	120	118	120	143	116	113	112	131	132	112
June	118	118	120	144	116	113	114	131	136	109
July	118	118	120	145	115	112	114	132	140	109
August	118	119	120	150	115	111	120	132	144	109
September	116	120	121	145	116	110	122	135	153	111
October	113	123	122	145	117	110	120	139	158	114
November	113	125	124	146	118	111	118	142	164	118
December	113	126	126	149	120	111	119	144	168	118
1941—										
January	114	127	126	150	r120	111	119	144	r172	120
February	114	126	127	150	121	113	119	147	171	120
March	119	122	129	150	123	114	119	154	176	122
April	121	121	131	150	125	115	119	156	180	125
May	126	120	134	r152	129	117	120	156	189	129
June	133	121	137	155	131	119	121	155	193	132
July	r135	r121	r141	r156	r136	r125	r122	r155	194	r136
August	138	121	r142	157	138	127	123	156	196	138
September	r140	122	145	r157	138	r130	r123	156	203	143
October	140	123	143	r158	139	132	126	156	207	r140
November	141	124	143	158	141	133	124	157	209	141
1941— Weeks end.:										
Nov. 1	r140	124	142	158	140	r133	126	157	208	140
Nov. 8	140	124	142	158	140	r133	125	157	209	r139
Nov. 15	r139	124	142	r158	141	133	124	157	209	r141
Nov. 22	142	124	143	*157	141	133	124	157	209	141
Nov. 29	142	123	143	*158	*141	132	124	157	209	r141
Dec. 6	141	122	143	*158	*141	137	124	157	209	142
Dec. 13	137	*122	143	*159	---	139	123	157	*209	144

* Preliminary. r Revised

Changes In Holdings Of Reacquired Stock Of N. Y. Stock & Curb Listed Firms

The monthly compilation of companies listed on the New York Stock Exchange reporting changes in their holdings of reacquired stock was made available on Dec. 16. Following is the tabulation issued by the Stock Exchange:

Company and Class of Stock	Shares Previously Reported	Shares Per Latest Report
Air Reduction Co., capital	21,718	23,118
Allied Stores Corp., 5% pref.	600	1,103
American Hide & Leather Co., 6% pref.	1,300	1,700
Associates Investment Co., common	------	4,500(1)
5% cumul. pref.	1,240	1,250
Atlas Corp., common	157,804	179,234
6% preferred	7,006	7,412
Atlas Powder Co., common	10,873	11,573
Barnsdall Oil Co., common	8,500	13,700
Belding Heminway Co., common	44,732	45,832
Borden Co., The, capital	33,154	21,954(2)
Burlington Mills Corp., common	19	419
Carriers & General Corp., common	900	1,800
Case (J. I.) Co., common	1,864	1,814
7% preferred	5,110	1,865(9)
Consolidated Laundries Corp., common	20,732	25,000
Consolidated Oil Corp., common	305,355	361,455
Continental Baking Co., 8% cumul. pref.	9,283	------(15)
Copperweld Steel Co., cumul. conv. pref., 5% series	1,300	1,400
Cuban-American Sugar Co., The, 5½% conv. pref.	10,648	10,948
Davega Stores Corp., common	7,950	8,350
5% cumul. conv. preferred	100	------(10)
Detroit Edison Co., The, common	12,486	12,001
Devoe & Raynolds Co., Inc., class A	5,198	5,600
Gaylord Container Corp., 5½% cumul. conv. pref.	------	------(3)
General Realty & Utilities Corp., $6 pref.	2,166	2,266
General Shoe Corp., common	3,540	3,558
General Motors Corp., common	134,321	167,221
Gimbel Brothers, Inc., $6 cumul. pref.	7,811	8,111
Glidden Co., The, common	5,847	5,947
Goodyear Tire & Rubber Co., The $5 cum. conv. pref.	6,865	7,165
Greyhound Corp., The, 5½% conv. pref.	4,528	4,529
Hat Corp. of America, 6½% pref.	145	645
Household Finance Corp., common	3,592	4,187
Insuranshares Certificates, Inc., capital	300	6,800(11)
Interstate Department Stores, Inc., 7% pref.	4,318	4,408
Jewel Tea Co., Inc., common	4,206	4,194
Jones & Laughlin Steel Corp., common	------	17,535(4)
5% cumul. pref. A	------	7,014(4)
5% cumul. pref. B	------	7,014(4)
McGraw-Hill Publishing Co., Inc., common	------	2,000
Macy (R. H.) & Co., Inc., common	5,285	5,785
Madison Square Garden Corp., capital	4,400	5,400
Maytag Co., The, $3 cumul. pref.	8,414	10,614
Mead Corp., The, $5.50 series B	1,613	2,213
$6 series A	90	300
National Cylinder Gas Co., common	2,603	5,853
National Department Stores Corp., 6% pref.	64,861	66,541
National Lead Co., common	7,638	7,646
7% cumul. A pref.	29,883	25,883
Norfolk & Western Ry. Co., adj. 4% pref.	1,578	2,318
Petroleum Corp. of America, capital	103,000	107,300
Plymouth Oil Co., common	15,254	100(5)
Real Silk Hosiery Mills, Inc., 7% cumul. pref.	3,105	3,892
Republic Steel Corp., 6% cumul. conv. pref.	77	1,226(13)
Revere Copper & Brass, Inc., common	18,342	45,750(14)
Safeway Stores, Inc., common	15,014	15,018
5% cumul. pref.	499	509
Schenley Distillers Corp., 5½% cumul. pref.	2,701	3,101
Shattuck (Frank G.) Co., common	137,300	138,100
Sheaffer (W. A.) Pen Co., common	4,121	4,161
Spear & Co., $5.50 cumul. pref.	------	------(12)
Tide Water Associated Oil Co., common	11,300	11,306
United Merchants & Manufacturers Corp., vot. trust. certifs.	3,800	9,436(6)
United States Leather Co., The prior pref.	15,403	15,703
Universal Pictures Co., Inc., 8% pref.	5,011	5,031(7)
United States Rubber Co., common	19,016	23,016
Van Raalte Co., Inc., 7% cumul. pref.	590	2,030(8)
Vick Chemical Co., capital	16,700	17,800
Wilson & Co., common	7,826	7,827
$6 cumul. pref.	1,550	1,551

Notes—(1) Initial report. (2) 1,800 shares acquired; 13,000 shares disposed of. (3) 50 shares acquired and retired. (4) Acquired through conversion of 14,028 shares of old cumulative 7% preferred stock. (5) 363 shares acquired; 15,517 shares disposed of by stock dividend. (6) 6,800 shares acquired; 1,164 shares disposed of. (7) 770 shares acquired; 750 shares retired. (8) 1,440 shares acquired since Feb. 14, 1941. (9) 60 shares acquired; 3,305 shares retired. (10) Retired. (11) 22,400 shares acquired; 15,900 shares canceled. (12) 500 shares acquired and retired. (13) 2,229 shares acquired; 1,080 shares retired. (14) Increase resulting from reclassification of class A stock into new common stock on a 3½-to-1 basis. (15) 13,332 shares acquired; 22,615 shares retired.

The New York Curb Exchange issued on Dec. 17 the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

Company and Class of Stock	Shares Previously Reported	Shares Per Latest Report
American General Corp., $2 div. ser. pref.	6,231	7,031
Common	336,699	343,526
American Writing Paper Corp., common	3,000	6,500
Baldwin Rubber Co., common	167	1,667
Blue Ridge Corp., $3 conv. pref.	9,850	10,200
Charis Corp., common	6,225	6,875
Cooper-Bessemer Corp., $3 prior pref.	1,118	1,218
Crown Central Petroleum Corp., common	559	562
Dejay Stores, Inc., common	6,336	7,586
Dennison Manufacturing Co., prior pref.	5,248	5,272
Detroit Gasket & Mfg. Co., 6% pref.	12,016	12,316
Equity Corp., $3 conv. pref.	43,788	45,873
Fanny Farmer Candy Shops, Inc., common	35,698	36,488
Klein (D. Emil) Co., Inc., common	13,655	13,855
Kleinert (I. B.) Rubber Co., common	26,135	26,235
Knott Corp., common	5,776	5,976
Merritt-Chapman & Scott Corp., 6½% A pref.	1,130	1,305
Midland Oil Corp., $2 conv. pref.	7,500	7,550
New York Merchandise Co., Inc., common	19,963	21,263
Niagara Share Corp of Maryland, B common	99,481	106,581
Selected Industries, Inc., $5.50 div. prior stock	2,600	4,250
Sterchi Bros. Stores, Inc., 6% first pref.	225	305
Sterchi Bros. Stores, Inc., 5% second pref.	317	337
Sunray Oil Corp., 5½% conv. pref.	2,470	2,520
Sunray Oil Corp., common	101,800	102,800
Trunz, Inc., common	15,834	16,434
United Cigar-Whelan Stores Corp., common	12,096	12,101
Wilson-Jones Co., common	3,800	4,300

English Financial Market--Per Cable

The daily closing quotations for securities, &c., at London, as reported by cable, have been as follows the past week:

	Saturday	Monday	Tuesday	Wednesday	Thursday	Friday
Silver, p. oz. d	Closed	23½d	23½d	23½d	23½d	23½d
Gold, p. fine oz.	168s	168s	168s	168s	168s	168s
Consols, 2½%	Closed	£81⅝	£81⅝	£81½	£81⅜	£81⅛
British 3½% W. L.	Closed	£104⅝	£104⅝	£104½	£104⅜	£104⅝
British 4% 1960-90	Closed	£114½	£114½	£114⅜	£114¼	£114¼

The price of silver per oz. (in cents) in the United States on the same days has been:

Bar. N. Y. (Foreign)	35⅛	35⅛	35⅛	35⅛	35⅛	35⅛
U. S. Treas. (newly mined)	71.11	71.11	71.11	71.11	71.11	71.11

Lend-Lease Aid By U. S. To Turkey

In a note to the State Department at Washington on Dec. 14 by the Turkish Ambassador, M. M. Ertegun, it was indicated that the Turkish Government would remain neutral in "the new conflict which has just broken out." The note stated:

> I have the honor to inform your excellency that in a telegram dated Ankara, Dec. 10, 1941, but received in Washington only this morning, I am directed by my Government to notify the Government of the United States of America that the Government of the Republic has decided to extend the neutrality of Turkey to the new conflict which has just broken out.
>
> Please accept, Mr. Secretary of State, the assurance of my highest consideration.

It was pointed out in Associated Press accounts from Washington on Dec. 14 that Turkey has remained neutral in the European war despite diplomatic efforts by Germany and Britain to secure her as an active ally. These advices added:

> Great Britain in October, 1939, extended credits of £40,000,000 to the Turkish Government to stabilize Turkish currency and to provide approximately $100,000,000 for the mechanization and modernization of the Turkish Army and the strengthening of fortifications in the Dardenelles, the strategic strait between the Black Sea and the Mediterranean.
>
> The United States only recently revealed that lend-lease aid had been extended to Turkey, through the British since May, to enable the British Government to make good its commitments under the Anglo-Turkish pact.
>
> The Anglo-Turkish pact provided also that Turkey, in return for the assistance from Great Britain, would maintain a benevolent neutrality toward Britain, and would not permit the Germans or any other military force to utilize Turkish territory against Britain or permit the passage of troops or military equipment through Turkish territory in what might be hostile acts against Britain.
>
> The declaration of Turkey's neutrality was interpreted here, in the light of those facts, as meaning that the delivery of United States supplies to Britain for final delivery to the Turks had made it possible for the Turkish Government to maintain its neutral stand and not be forced to join the Axis under threat of invasion by the Nazis.

The disclosure that Turkey was receiving lend-lease aid from the United States came from Government quarters in Washington on Dec. 3, according to United Press accounts from Washington on that date which said:

> The revelation followed a White House announcement that President Roosevelt had found the defense of Turkey—pivotal State in the Near East theater of war—"vital to the defense of the United States" and had ordered war supplies sent there immediately.
>
> At the same time defense officials said a "considerable amount" of American war materials already had been shipped "on an informal basis" and that Great Britain is supplying Turkish forces with howitzers, trucks and other implements of war.
>
> The White House said the President had directed Lend-Lease Administrator Edward R. Stettinius, Jr., "to see that the defense needs of the Government of Turkey are filled as fast as possible."

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report stated that production of soft coal showed little change in the week ended Dec. 13. The total output is estimated at 10,800,000 net tons, as against 10,880,000 tons in the preceding week.

The U. S. Bureau of Mines reported that the production of Pennsylvania anthracite for the week ended Dec. 13 was estimated at 832,000 tons, an increase of 57,000 tons over the preceding week. Output in the corresponding week of 1940 was 1,259,000 tons.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL (IN THOUSANDS OF NET TONS), WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

	Week Ended			Calendar year to date		
	Dec. 13, 1941	Dec. 6, §1941	Dec. 14, 1940	¶1941	1940	1929
*Bituminous coal:						
Total, including mine fuel	10,800	10,880	9,878	480,707	431,594	513,415
Daily average	1,800	1,813	1,645	1,649	1,471	1,737
†Crude oil petroleum:						
Coal equivalent of weekly output	6,583	6,580	5,733	305,877	294,373	220,288

*Includes for purposes of historical comparison and statistical convenience the production of lignite. †Total barrels produced during the week converted to equivalent coal assuming 6,000,000 b.t.u. barrel of oil and 13,100 b.t.u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal. (Minerals Yearbook, 1939, page 702). ‡Sum of 50 full weeks ended Dec. 13, 1941, and corresponding 50 weeks in 1940 and 1929. §Revised. ¶Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND BEEHIVE COKE (IN NET TONS)

	Week Ended			Calendar year to date		
Penn. Anthracite—	Dec. 13, 1941	Dec. 6, 1941	Dec. 14, 1940	1941	*1940	*1929
†Total, including colliery fuel	832,000	775,000	1,259,000	51,840,000	48,458,000	69,955,000
‡Commercial product	790,000	736,000	1,196,000	49,253,000	46,035,000	64,918,000
Beehive Coke—						
U. S. total	133,600	148,800	106,100	5,984,200	2,776,100	6,263,400
Daily average	22,267	24,800	17,683	20,149	9,347	21,089

*Adjusted to comparable periods in the three years. †Includes washery and dredged coal, and coal shipped by truck from authorized operations. ‡Excludes colliery fuel.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	Week Ended					Dec. average
State—	Dec. 6, 1941	Nov. 29, 1941	Dec. 7, 1940	Dec. 9, 1939	Dec. 7, 1929	1923§
Alaska	3	3	4	3	**	**
Alabama	366	355	328	314	427	349
Arkansas and Oklahoma	75	89	109	61	160	83
Colorado	163	187	176	137	299	253
Georgia and North Carolina	1	1	1	1	**	**
Illinois	1,115	1,242	1,339	1,087	1,744	1,535
Indana	500	573	457	409	474	514
Iowa	63	67	78	72	116	121
Kansas and Missouri	171	168	193	158	188	159
Kentucky—Eastern	806	928	792	702	982	584
Western	237	260	203	178	368	204
Maryland	40	37	32	40	62	37
Michigan	6	8	13	20	19	21
Montana	90	98	87	67	82	64
New Mexico	25	30	25	23	61	56
North and South Dakota	63	83	71	42	**59	**27
Ohio	613	700	459	479	593	599
Pennsylvania bituminous	2,630	2,406	2,331	2,380	2,796	2,818
Tennessee	137	134	125	116	113	103
Texas	9	8	10	15	18	21
Utah	93	107	92	83	143	100
Virginia	396	402	304	278	260	193
Washington	36	49	49	35	60	57
West Virginia—*Southern	2,254	2,275	1,823	1,760	2,041	1,132
†Northern	836	891	617	653	716	692
Wyoming	150	179	152	104	156	173
‡Other Western States	2	††	1	††	**5	**5
Total bituminous coal	10,880	11,280	9,871	9,217	11,942	9,900
¶Pennsylvania anthracite	775	808	1,032	374	1,852	1,806
Total, all coal	11,655	12,088	10,903	9,591	13,794	11,706

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada and Oregon. ¶Data for Pennsylvania anthracite from published records of the Bureau of Mines. §Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." ††Less than 1,000 tons.

The London Stock Exchange

Quotations of representative stocks as received by cable each day of the past week:

	Saturday Dec. 13	Monday Dec. 15	Tuesday Dec. 16	Wednesday Dec. 17	Thursday Dec. 18	Friday Dec. 19
Boots Pure Drugs		36/6	37/–	36/9	36/9	36/6
British Amer. Tobacco		92/6	88/9	88/3	85/3	84/6
*Cable & W. ord		£ 66½	£ 66	£ 65½	£ 66	£ 65¾
Central Min. & Invest.		£ 13½	£ 13⅜	£ 13⅜	£ 13⅜	£ 13⅜
Cons. Goldfields of S. A.		43/9	43/9	42/6	42/6	42/6
Courtaulds (S.) & Co.		34/–	34/–	33/9	33/6	33/6
De Beers		£ 8⅞	£ 8¾	£ 9	£ 8⅞	£ 8⅞
Distillers Co.		72/6	72/9	72/–	71/6	71/3
Electric & Musical Ind.	Closed	13/9	14/0	13/9	13/9	13/9
Ford Ltd.		24/3	24/3	24/3	24/3	24/3
Hudsons Bay Company		24/6	24/9	24/9	25/–	25/–
Imp. Tob. of G. B. & I.		128/9	126/3	126/3	126/3	125/0
*London Mid. Ry.		£ 16⅞	£ 16⅝	£ 17	£ 16¾	£ 16¾
Metal Box		75/6	75/6	75/6	75/6	75/6
Rand Mines		£ 7⅛	£ 7⅛	£ 7⅛	£ 7⅛	£ 7⅛
Rio Tinto		£ 8	£ 8	£ 8	£ 7½	£ 7
Rolls Royce		90/–	90/6	90/–	91/3	91/9
Shell Transport		54/3	53/9	52/–	48/9	48/9
United Molasses		30/–	29/9	29/9	29/9	29/3
Vickers		17/–	17/–	17/–	16/9	16–6
West Witwatersrand Areas		£ 4⅞	£ 4⅞	£ 4⅞	£ 4 13/16	£ 4¾

*Per £ 100 par value.

Trading On New York Exchanges

The Securities and Exchange Commission made public on Dec. 19 figures showing the daily volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Dec. 6, 1941, continuing a series of current figures being published by the Commission. Short sales are shown separately from other sales in these figures, the Commission explained.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Dec. 6 (in round-lot transactions) totaled 776,244 shares, which amount was 13.65% of total transactions on the Exchange of 6,285,080 shares. This compares with member trading during the previous week ended Nov. 29 of 591,727 shares or 11.01% of total trading of 5,164,270 shares. On the New York Curb Exchange, member trading during the week ended Dec. 6 amounted to 138,665 shares, or 12.00% of the total volume on that Exchange of 1,241,810 shares; during the preceding week trading for the account of Curb members of 165,175 shares was 12.76% of total trading of 1,183,800 shares.

With respect to the figures for the week ended Nov. 22 (see issue of Dec. 11, page 1471) the SEC announces that the New York Stock Exchange has submitted some corrections. Under item B-3—other transactions initiated off the floor—total sales for the week were 102,870, instead of 105,570, thus reducing the percentage figure from 2.61 to 2.57. Under the section giving the number of reports received, item 3—reports showing other transactions initiated off the floor—should be 201 instead of 202.

The Commission made available the following data for the week ended Dec. 6:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total Number of Reports Received	1,056	761
1. Reports showing transactions as specialists	187	93
2. Reports showing other transactions initiated on the floor	198	25
3. Reports showing other transactions initiated off the floor	242	96
4. Reports showing no transactions	537	552

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)
Week Ended Dec. 6, 1941

	Total For Week	Per Cent a
A. Total Round-Lot Sales		
Short sales	137,690	
Other sales b	6,147,390	
Total sales	6,285,080	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists		
1. Transactions of specialists in stocks in which they are registered		
Total purchases	502,960	
Short sales	92,330	
Other sales b	350,090	
Total sales		
2. Other transactions initiated on the floor	442,420	7.52
Total purchases	236,475	
Short sales	17,700	
Other sales b	164,750	
Total sales	182,450	3.33
3. Other transactions initiated off the floor		
Total purchases	200,130	
Short sales	13,810	
Other sales b	137,564	
Total sales	151,374	2.80
4. Total		
Total purchases	939,565	
Short sales	123,840	
Other sales b	652,404	
Total sales	776,244	13.65

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)
Week Ended Dec. 6, 1941

	Total For Week	Per Cent a
A. Total Round-Lot Sales		
Short sales	8,960	
Other sales b	1,232,850	
Total sales	1,241,810	
B. Round-Lot Transactions for the Account of Members		
1. Transactions of specialists in stocks in which they are registered		
Total purchases	80,040	
Short sales	7,935	
Other sales b	94,075	
Total sales	102,010	7.33
2. Other transactions initiated on the floor		
Total purchases	21,765	
Short sales	0	
Other sales b	9,205	
Total sales	9,205	1.25
3. Other transactions initiated off the floor		
Total purchases	57,480	
Short sales	100	
Other sales b	27,350	
Total sales	27,450	3.42
4. Total		
Total purchases	159,285	
Short sales	8,035	
Other sales b	130,630	
Total sales	138,665	12.00
C. Odd-Lot Transactions for the Account of Specialists		
Customers' short sales	0	
Customers' other sales c	91,897	
Total purchases	91,897	
Total sales	32,278	

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* The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

a Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

b Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

c Sales marked "short exempt" are included with "other sales."

Revenue Freight Car Loadings During Week Ended Dec. 13 Amounted To 807,225 Cars

Loading of revenue freight for the week ended Dec. 13, totaled 807,225 cars, the Association of American Railroads announced on Nov. 18. The increase above the corresponding week in 1940 was 70,885 cars or 9.6%, and above the same week in 1939 was 129,093 cars or 19.0%.

Loading of revenue freight for the week of Dec. 13, decreased 26,150 cars or 3.1% below the preceding week.

Miscellaneous freight loading totaled 371,621 cars, a decrease of 7,225 cars below the preceding week, but an increase of 51,722 cars above the corresponding week in 1940.

Loading of merchandise less than carload lot freight totaled 152,741, a decrease of 3,679 cars below the preceding week, and a decrease of 878 cars below the corresponding week in 1940.

Coal loading amounted to 154,910 cars, an increase of 4,392 cars above the preceding week, and an increase of 5,231 cars above the corresponding week in 1940.

Grain and grain products loading totaled 41,533 cars, a decrease of 1,221 cars below the preceding week, but an increase of 8,477 cars above the corresponding week in 1940. In the Western Districts alone, grain and grain products loading for the week of December 13 totaled 25,854 cars, a decrease of 889 cars below the preceding week, but an increase of 5,709 cars above the corresponding week in 1940.

Live stock loading amounted to 13,841 cars, a decrease of 790 cars below the preceding week, but an increase of 114 cars above the corresponding week in 1940. In the Western Districts alone, loading of live stock for the week of Dec. 13 totaled 10,374 cars, a decrease of 614 cars below the preceding week, but an increase of 437 cars above the corresponding week in 1940.

Forest products loading totaled 42,377 cars, an increase of 1,372 cars above the preceding week, and an increase of 2,759 cars above the corresponding week in 1940.

Ore loading amounted to 16,173 cars, a decrease of 19,914 cars below the preceding week but an increase of 2,703 cars above the corresponding week in 1940.

Coke loading amounted to 14,029 cars, an increase of 915 cars above the preceding week, and an increase of 757 cars above the corresponding week in 1940.

All districts reported increases compared with the corresponding weeks in 1940 and 1939.

	1941	1940	1939
4 Weeks of January	2,740,095	2,557,735	2,288,730
4 Weeks of February	2,824,188	2,488,879	2,282,866
5 Weeks of March	3,817,918	3,123,916	2,976,655
4 Weeks of April	2,793,563	2,495,212	2,225,188
5 Weeks of May	4,160,527	3,351,840	2,926,408
4 Weeks of June	3,510,137	2,896,953	2,563,953
4 Weeks of July	3,413,427	2,822,450	2,532,236
5 Weeks of August	4,464,458	3,717,933	3,387,672
4 Weeks of September	3,539,171	3,135,122	3,102,236
4 Weeks of October	3,657,882	3,269,476	3.355,701
5 Weeks of November	4,317,738	3,780,423	3,708.292
Week of December 6	833,375	738.513	683,973
Week of December 13	807,225	736,340	678,132
Total	40,879,704	35,114,792	32,712,042

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Dec. 13, 1941. During this period 103 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED DEC. 13

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1941	1940	1939	1941	1940
Eastern District—					
Ann Arbor	640	562	571	1,607	1,425
Bangor & Aroostook	1,690	1,504	1,430	235	175
Boston & Maine	8,330	7,808	7,276	13,464	12,205
Chicago, Indianapolis & Louisville	1,621	1,561	1,583	2,318	2,579
Central Indiana	34	11	18	44	78
Central Vermont	1,417	1,305	1,322	2,801	2,621
Delaware & Hudson	5,146	6,128	5,507	10,844	8,923
Delaware, Lackawanna & Western	8,647	9,400	9,700	9,219	7,993
Detroit & Mackinac	390	346	332	145	108
Detroit, Toledo & Ironton	2,574	2,861	2,684	1,365	1,637
Detroit & Toledo Shore Line	353	385	307	3,985	4,038
Erie	14,131	13,647	12,474	15,362	14,013
Grand Trunk Western	5,417	6,302	5,070	9,408	9,181
Lehigh & Hudson River	212	151	166	2,759	2,335
Lehigh & New England	1,450	2,241	1,887	1,656	1,285
Lehigh Valley	8,904	9,983	9,146	9,737	8,019
Maine Central	3,250	3,054	2,790	3,009	2,639
Monongahela	6,131	4,134	4,357	362	225
Montour	2,341	1,568	1,572	22	38
New York Central Lines	47,978	45,235	41,227	47,374	45,167
N. Y., N. H. & Hartford	12,548	10,939	9,829	16,367	14,713
New York, Ontario & Western	1,056	1,162	949	2,237	1,906
N. Y., Chicago & St. Louis	6,330	5,319	5,874	14,061	12,912
N. Y., Susquehanna & Western	488	400	513	1,354	1,490
Pittsburgh & Lake Erie	8,426	7,721	6,949	7,631	6,083
Pere Marquette	6,251	6,558	6,457	6,288	6,273
Pittsburgh & Shawmut	707	490	386	39	36
Pittsburgh, Shawmut & North	376	443	418	280	243
Pittsburgh & West Virginia	785	845	978	2,150	1,990
Rutland	598	598	558	1,065	1,019
Wabash	6,547	5,412	5,766	10,540	10,530
Wheeling & Lake Erie	4,512	3,776	3,851	4,259	3,752
Total	169,280	161,849	151,947	201,987	185,631
Allegheny District—					
Akron, Canton & Youngstown	619	620	462	1,150	912
Baltimore & Ohio	38,236	33,751	31,247	20,843	18,690
Bessemer & Lake Erie	3,097	2,741	2,674	1,369	2,201
Buffalo Creek & Gauley	325	270	291	4	4
Cambria & Indiana	2,030	1,945	1,602	12	7
Central R.R. of New Jersey	7,183	7,450	6,488	15,422	13,662
Cornwall	558	694	656	52	48
Cumberland & Pennsylvania	337	309	313	21	31
Ligonier Valley	131	159	160	54	47
Long Island	832	794	545	2,937	2,959
Penn-Reading Seashore Lines	1,681	1,302	1,141	1,998	1,601
Pennsylvania System	81,617	68,873	64,818	50,324	44,198
Reading Co.	15,288	16,696	13,974	24,089	20,712
Union (Pittsburgh)	20,201	20,260	18,754	4,475	3,025
Western Maryland	4,224	3,744	3,630	9,261	8,009
Total	176,359	159,608	146,755	132,011	116,106
Pocahontas District—					
Chesapeake & Ohio	25,587	21,953	21,112	10,357	9,749
Norfolk & Western	21,599	20,401	17,279	5,673	5,401
Virginian	4.834	4,334	3,918	2,082	1,682
Total	52,020	46,688	42,309	18,112	16,832
Southern District—					
Alabama, Tennessee & Northern	370	249	210	204	145
Atl. & W. P.—W. R.R. of Ala.	842	736	773	2,009	1,695
Atlanta, Birmingham & Coast	784	730	627	1,414	1,264
Atlantic Coast Line	11,581	12,245	10,449	7,117	6,533
Central of Georgia	4,366	4,334	4,030	4,047	3,723
Charleston & Western Carolina	507	429	377	1,629	1,498
Clinchfield	1,915	1,396	1,441	2,802	2,662
Columbus & Greenville	281	309	330	338	261
Durham & Southern	196	171	193	582	677
Florida East Coast	1,031	924	854	1,026	1,115
Gainsville Midland	36	30	32	98	103
Georgia	1,542	1,145	948	2,405	1,765
Georgia & Florida	437	373	370	800	595
Gulf, Mobile & Ohio	4,324	3,632	3,383	3,637	2,911
Illinois Central System	29,442	22,792	21,509	14,272	12,444
Louisville & Nashville	24,774	23,457	21,525	8,144	6,495
Macon, Dublin & Savannah	182	150	260	672	964
Mississippi Central	142	143	164	495	386
Nashville, Chattanooga & St. L.	3,640	3,361	2,741	3,655	3,472
Norfolk Southern	1,168	1,110	1,133	1,264	1,269
Piedmont Northern	523	452	397	1,645	1,526
Richmond Fred. & Potomac	457	379	332	7,037	5,644
Seaboard Air Line	10,987	11,203	9,425	6,999	6,336
Southern System	24,788	23,655	21,427	20,610	17,701
Tennessee Central	645	497	414	734	711
Winston-Salem Southbound	141	138	156	857	876
Total	125,102	114,040	103,510	94,492	82,771
Northwestern District—					
Chicago & North Western	17,303	16,724	14,530	13,116	12,589
Chicago Great Western	2,832	2,661	2,446	3,439	3,729
Chicago, Milw., St. P. & Pac.	22,645	20,742	19,475	9,289	8,550
Chicago, St. P., Minn. & Omaha	4,420	4,137	4,069	4,047	3,824
Duluth, Missabe & Iron Range	927	776	814	359	201
Duluth, South Shore & Atlantic	614	592	554	570	487
Elgin, Joliet & Eastern	10,273	9,355	8,207	10,872	8,448
Ft. Dodge, Des Moines & South	560	461	426	179	172
Great Northern	12,629	10,798	9,555	3,925	3,300
Green Bay & Western	568	560	550	734	726
Lake Superior & Ishpeming	261	253	206	73	74
Minneapolis & St.	2,032	2,015	1,646	2,154	1,967
Minn., St. Paul & S. S. M.	5,709	5,108	4,752	3,179	2,869
Northern Pacific	11,929	9,986	10,083	4,228	3,740
Spokane International	102	99	116	334	257
Spokane, Portland & Seattle	2,416	2,020	1,520	2,345	1,715
Total	95,220	86,287	78,949	58,843	52,648
Central Western District—					
Atch. Top. & Santa Fe System	23,101	19,897	18,817	8,933	7,114
Alton	3,641	2,947	3,026	2,948	2,335
Bingham & Garfield	604	516	497	93	79
Chicago, Burlington & Quincy	18,657	17,549	15,205	10,843	9,483
Chicago & Illinois Midland	2,737	2,706	2,516	813	955
Chicago, Rock Island & Pacific	12,895	11,691	11,442	10,376	9,222
Chicago & Eastern Illinois	3,110	2,720	2,691	3,088	2,764
Colorado & Southern	1,252	807	718	1,870	1,611
Denver & Rio Grande Western	3,640	3,589	2,791	4,133	3,254
Denver & Salt Lake	711	806	474	18	12
Fort Worth & Denver City	1,295	868	980	1,394	1,021
Illinois Terminal	2,070	1,700	1,854	1,614	1,505
Missouri-Illinois	1,158	896	895	476	435
Nevada Northern	2,044	1,901	1,578	128	136
North Western Pacific	1,051	799	476	434	367
Peoria & Pekin Union	25	21	22	0	0
Southern Pacific (Pacific)	28,726	25,483	22,715	8,192	6,260
Toledo, Peoria & Western	110	397	391	165	1,354
Union Pacific System	17,695	15,781	14,016	11,389	10,126
Utah	507	516	468	3	6
Western Pacific	2,685	2,195	1,727	2,683	2,166
Total	127,714	113,785	103,299	69,494	60,205
Southwestern District—					
Burlington-Rock Island	125	148	233	282	268
Gulf Coast Lines	3,595	3,054	3,500	2,264	1,435
International-Great Northern	2,286	1,723	1,756	2,603	2,212
Kansas, Oklahoma & Gulf	320	188	210	1,013	1,006
Kansas City Southern	2,710	2,299	2,055	2,984	2,179
Louisiana & Arkansas	2,531	2,128	1,958	2,280	1,615
Litchfield & Madison	375	397	381	953	996
Midland Valley	617	704	633	300	180
Missouri & Arkansas	158	144	170	423	395
Missouri-Kansas-Texas Lines	4,848	4,508	4,084	3,780	2,931
Missouri Pacific	17,515	15,948	14,435	12,310	10,575
Quanah Acme & Pacific	152	110	88	182	140
St. Louis-San Francisco	9,561	8,791	7,528	6,035	4,843
St. Louis Southwestern	2,985	2,766	2,479	3,692	2,931
Texas & New Orleans	8,676	6,932	7,067	4,407	3,287
Texas & Pacific	4,897	4,098	4,597	5,829	4,290
Wichita Falls & Southern	153	135	161	40	61
Weatherford M. W. & N. W.	26	10	28	32	234
Total	61,530	54,083	51,363	49,409	39,578

Note—Previous year's figures revised.

Liquidation Of Insolvent National Banks

During the month of November, 1941, the liquidation of seven insolvent National Banks was completed and the affairs of such receiverships finally closed, Preston Delano, Comptroller of the Currency announced on Dec. 12. His announcement added:

> Total disbursements, including offsets allowed, to depostors and other creditors of these seven receiverships, amounted to $14,269,399, while dividends paid to unsecured creditors amounted to an average of 66.02% of their claims. Total costs of liquidation of these receiverships averaged 8.27% of total collections from all sources including offsets allowed. Dividend distributions to all creditors of all active receiverships during the month of November, amounted to $1,628,034. Data as to results of liquidation of the receiverships finally closed during the month are as follows:

INSOLVENT NATIONAL BANKS LIQUIDATED AND FINALLY CLOSED DURING THE MONTH OF NOVEMBER, 1941

Name and Location of Bank—	Date of Failure	Total Disbursements to Creditors Including Offsets Allowed	Per Cent Dividends Declared to All Claimants	Capital Stock at Date of Failure
American-First National Bank, Mount Carmel, Ill.	5-31-34	$1,337,990	57.92	$100,000
Fort Fairfield National Bank, Fort Fairfield, Me.	1- 8-34	1,520,641	64.53	200,000
Boston-Continental Nat. Bank, Boston, Mass.	12-22-31	4,562,427	45.72	1,000,000
Carlstadt Nat. Bank, Carlstadt, N. J.	4-10-34	1,097,963	92.27	100,000
First National Bank, Boswell, Penna.	2- 9-32	459.206	55.117	30,000
First National Bank, Indiana, Pa.	5-2-34	3,944,784	80.17	200,000
Tower City National Bank, Tower City, Penna.	4-20-34	1,346,388	98.05	50,000

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Dec. 19 a summary for the week ended Dec. 13, 1941, of complete figures showing the volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures, which are based upon reports filed with the Commission by the odd-lot dealers and specialists, are given below:

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

Week Ended Dec. 13, 1941	Total for week
Odd-lot Sales by Dealers: (Customers' Purchases)	
Number of orders	36,287
Number of shares	1,003,353
Dollar value	30.502,440
Odd-lot Purchases by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' short sales	458
Customers' other sales a	43,235
Customers' total sales	43,693
Number of Shares:	
Customers' short sales	13,464
Customers' other sales a	1,228,767
Customers' total sales	1,242,231
Dollar value	32,097,528
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	430
Other sales b	386,470
Total sales	386,900
Round-lot Purchases by Dealers—	
Number of shares	151,380

a Sales marked "short exempt" are reported with "other sales." *b* Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Note—This report and preceding reports do not include transactions in stocks effected on a "when issued" basis.

Lumber Movement Week Ended Dec. 13, 1941

Lumber production during the week ended Dec. 13, 1941, was 8% less than the previous week, shipments were 5% less; new business was 3% greater, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 9% below production; new orders 0.5% above production. Compared with the corresponding week of 1940 production was 3% less, shipments 22% less, and new business 10% less. The industry stood at 120% of the average of production in the corresponding week of 1935-39 and 117% of average 1935-39 shipments in the same week.

Year-to-Year Comparisons

Reported production for the 50 weeks of 1941 to date was 11% above corresponding weeks of 1940; shipments were 9% above the shipments, and new orders 5% above the orders of the 1940 period. For the 50 weeks of 1941 to date, new business was 4% above production, and shipments were 5% above production.

Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 31% on Dec. 13, 1941, compared with 32% a year ago. Unfilled orders were 12% less than a year ago; gross stocks were 7% less.

Softwoods and Hardwoods

Record for the current week ended Dec. 13, 1941, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

Softwoods and Hardwoods

	1941 Week	1940 Week	1941 Previous Wk. (rev.)
Mills	449	449	467
Production	215,436	222.436	234,396
Shipments	195,110	251,487	204,373
Orders	216,496	240,682	210.037

	Softwoods 1941 Week	Hardwoods 1941 Week
Mills	371	93
Production	204.086—100%	11,350—100%
Shipments	184.309— 90%	10.801— 95%
Orders	207,770—102%	8,726— 77%

Lease-Mine Coal Is Subject To Coal Act

In a decision handed down on Dec. 15 the United States Supreme Court held that a company which obtained coal from mines it leased, but which were operated by others under contract, was subject to price-fixing provisions of the Federal Bituminous Coal Act. The Court's 5-3 decision, applying specifically to the Seaboard Air Line Rwy. Co., was delivered by Justice Reed. Justice Roberts wrote a dissenting opinion in which Chief Justice Stone and Justice Byrnes concurred. Justice Jackson did not participate.

As to the Court's findings on Dec. 15, Associated Press accounts from Washington said:

> The Court held the coal to be exempt in a 4-4 ruling last term (April, 1941). A rehearing then was granted.
>
> In appealing from a decision in favor of the company by the Fourth Federal Circuit Court, the Justice Department contended that the ruling "approves a device through which any large consumer can purchase coal at prices below those established under the Act."
>
> The Justice Department said that Seaboard "arranged to pay nine or ten cents a ton royalty, under a contract of lease, to the owners of the land or mineral rights and the remainder of the price of the coal to a mine operator engaged under a contract as an independent contractor."
>
> The Bituminous Coal Act in question, aimed at regulating prices and establishing fair competition, provides that its penalties "shall not apply to coal consumed by the producer."
>
> The Seaboard Air Line Rwy. claimed exemption in the case of coal obtained for its own use from mines which it leased and which were operated for it by a contractor. The Coal Division, however, held that the railroad was not a producer.
>
> The Court's majority opinion, by Justice Stanley Reed, refused to go behind this ruling, explaining that "in a matter left specifically by Congress to the determination of an administrative body, as the question of exemption was here . . . the function of review placed upon the courts . . . is fully performed when they determine that there has been a fair hearing, with notice and an opportunity to present the circumstances and arguments to the decisive body, and an application of the statute in a just and reasoned manner."
>
> "Where, as here, a determination has been left to an administrative body," the opinion continued, "this delegation will be respected and the administrative conclusion left untouched.
>
> "It is not the province of a court to absorb the administrative functions to such an extent that the executive or legislative agencies become mere fact-finding bodies deprived of the advantages of prompt and definite action."
>
> Justice Roberts, who wrote the dissenting opinion, declared that the law "carefully delimits by inclusive and exclusive definition those who shall and those who shall not be subject to its regulatory provisions."
>
> He added that the coal director's finding, if it was in error "was a misconstruction of the Act which created his office and that error, under all relevant authorities, is subject to court review. It is specifically made so subject to review by the statute in question."
>
> He pointed out that under the majority decision captive coal mines could be subjected to regulation under the Act wherever, as is sometimes done, "coal is gotten out by employing a miner who in turn employs his own gang to assist him in the mine."

The Supreme Court's decision earlier this year was referred to in our April 19 issue, page 2480.

President Makes Third Lend-Lease Report; Aid Put At $1,202,000,000 Up to Nov. 30

President Roosevelt, in submitting to Congress on Dec. 15 his third quarterly report on the lend-lease program, disclosed that aid to the nations opposing the Axis totaled $1,202,000,000 from March 11 to Nov. 30. Of this total, $723,000,000 represented defense articles transferred, although the actual value of exports of lend-lease items up to Nov. 30 was only $595,000,000 The President explained that the difference between this figure and the total value of articles transferred is principally due to three facts:

> First, the amount of transfers under the ships category is not included in the exports figure; second, certain goods are transferred to lend-lease countries for use in the United States, such as equipment and supplies for airplane pilot training programs; and, third, it is necessary to maintain some inventory of stocks of finished articles at the various warehouses at the points of export, so that there always will be plenty of material ready to be loaded as shipping space becomes available.

In a letter of transmittal, President Roosevelt reiterated his promise to continue aiding countries resisting the Axis powers, despite the fact that the United States is now engaged in the war against Japan, Germany and Italy. He told Congress that "we must not only help others to defeat them" but "we must fight them with all the forces we have and can get."

The President reported that allocation of the first appropriation of $7.000,000,000 was completed on Nov. 13 and that allocation of the second appropriation of $5,985,000,000 was "proceeding at an accelerated rate" with more than one-third already allocated.

A break-down of the total lend-lease aid of $1,202,000,000 showed that it was in the following categories: Defense articles transferred, $723,000,000; articles awaiting transfer or use, $140,000,000; articles in process of manufacture, $92,000.000; servicing and repair of ships, $79,000,000; rental and charter of ships, $92,000,000; production facilities in the United States. $75,000,000, and miscellaneous expenses, $1,000,000.

The total amount of aid extended has grown steadily each month since March, when it only amounted to $18,000,000, and reached a new monthly high of $283,000,000 in November. This compares with a previous high in October of $225,000,000.

The President's report revealed that 32 countries and the British Empire have been declared vital to the defense of the United States, thus making them eligible for lend-lease aid. It was also pointed out that lend-lease countries "cover two-thirds of the earth's surface and contain nearly two-thirds of its population.

The quantities of non-military goods, which were also transferred during the first 9 months of the program include: meat and fish products, 535,742,451 pounds; milk products, 341.301.116 pounds; egg products, 87.438,813 pounds; fruits and vegetables, 548.091,424 pounds; grain and cereal products, 719.834,984 pounds; sugar and related products, 6,058,740 pounds; cotton linters., 13,094.955 pounds; raw cotton. 439.619 bales; leaf tobacco, 120,822 hogsheads; petroleum products. 30.546,999 barrels; fertilizer, 447,162 tons, iron, and steel, 1,361.492 tons. and nonferrous metals, 63,012 tons.

The President's report also called attention to the following:

> Lend-lease aid alone is only a part of our total aid to those fighting the aggressors. Thus, since the beginning of the war, our exports to the British alone have amounted to nearly $5,750,000,000, most of which was financed by the British with their own dollars.

There has been shipped to Great Britain food and farm produce totaling 2,796,000,000 pounds, valued at $292,000,000, and the report said that Britain now is better off than a year ago with respect to food.

In Associated Press advices from Washington it was stated:

> Britain, Russia and China have received the bulk of lend-lease assistance. Those and the 20 Latin-American republics, Egypt, Free Belgium, Free France, Greece, Iceland, The Netherlands, Norway, Poland, Turkey and Yugoslavia were listed as the eligible nations.

The President's letter of transmittal to Congress follows, in major part:

> We are now engaged in a total war against a group of Axis powers led by Nazi Germany and bent on world domination. Their strategy is world wide. Ours also must be world wide.
>
> Underlying the Lend-Lease Act was the conception that those who were fighting the aggression of the Axis powers were fighting our potential enemies. The Axis powers now have openly declared themselves to be our enemies. We must not only help others to defeat them. We must fight them, with all the forces we have and can get.
>
> The world-wide strategy of the Axis powers must be met with equal startegy on the part of all the nations who are joined together in resisting their aggression. Accordingly, we must use the weapons from the arsenal of the democracies where they can be employed most effectively. And that means we must let Britain, Russia, China and other nations, including those of this hemisphere, use the weapons from that arsenal so that they can put them to most effective use. Too much is at stake in this greatest of all wars for us to neglect peoples who are or may be attacked by our common enemies.

The President's second lend-lease report, covering the period up to Aug. 31, was referred to in these columns Sept. 25, page 318.

Upholds Labor Board In Newark "Ledger" Case

The United States Supreme Court on Dec. 15 denied the petition of the Newark (N. J.) "Morning Ledger" for review of a National Labor Relations Board order holding that the discharge of Agnes Fahy, an editorial employee and sister of Charles Fahy, former NLRB general counsel, was discriminatory and a violation of the Wagner Act. Earlier reference to this case dealing with the reversal on April 17 last by the Third Circuit Court of Appeals at Philadelphia of its previous position was noted in these columns April 26, page 2633. In its April findings the Circuit Court decided in favor of the Labor Board in the Newark "Ledger" case.

Export Subsidy On Cotton Products Ended

Effective Dec. 20, rates of payment under the 1941-42 Cotton Products Export Program will be reduced to zero, the Department of Agriculture announced on Dec. 16. This program of the Surplus Marketing Administration, announced on July 2, 1941, as a continuation of the 1940-41 program, provides payments at specified rates for cotton products actually exported to foreign countries. The effect of the rate reduction, the Department said, will be to nullify the 1941-42 program, since no payments for the export of cotton products will be made after the effective date of the zero rate, except on transactions previously made and recorded. As to its action the Department said:

> Department of Agriculture officials took this step largely as the result of the outbreak of war with Japan. Hostilties will prevent cotton products from the two countries from entering the same markets in any important volume, and in the absence of other important competition, continuation of the payments would be unlikely to increase substantially the exportation of United States cotton products.
>
> From July 1, 1941 to Dec. 1, 1941, sales and deliveries of cotton products for export under the 1941-42 program totaled the equivalent of 250,763 bales of cotton, of which quantity only a small portion has been exported. Exporters have until Oct. 31, 1942 to export cotton products, the sales of which have been registered with an agent of the Secretary of Agriculture.
>
> Sales and deliveries of cotton products for export under the 1940-41 program, from July 1. 1940 to June 30, 1941 amounted to the equivalent of 634,728 bales of cotton, while actual exports to Dec. 1, 1941 were equivalent to about 405,428 bales. Exporters have until Dec. 31, 1941, to export the cotton products sold before July 1, 1941 and in view of present world conditions, this period will not be extended.

O. J. Arnold On Life Insurance, Defense

In his address, opening the annual convention of the Association of Life Insurance Presidents in New York City on Dec. 11, O. J. Arnold, President of the Northwestern National Life Insurance Co. stated that in the past year life insurance companies alone have channeled back to the Government, through bond investments, sufficient of the people's savings to buy 11.000 pursuit planes, or 20,000 medium tanks, or sufficient to build for our Navy new battleships outnumbering those in our present fleet which is the most powerful in the world. The convention theme was "Life Insurance in Defense of Democracy."

At the opening session the convention in a telegram to President Roosevelt (as indicated in our Dec. 18 issue, page 1566), pledged "its utmost loyal and energetic support to every effort being made under your guidance as our Commander-in-Chief to defeat any challenge to the liberties of our peace-loving country."

Reporting on the year's record to top executives, Mr. Arnold said that insurance in force in the United States will reach a record high of $124.000,000,000 by the year's end, an increase of 5% over a year ago, while new business written will show a gain of more than 10% over last year and payments to policyholders and beneficiaries will total $2.550.000,000 of which some 61% will go to living policyholders. But, he said, "far more significant than these favorable figures showing the vigor of our current activities, has been the impact of the events and trends of 1941, notably the war, upon our business and our thinking." Life insurance salesmen, comprising a highly skilled army working to encourage saving, are a powerful anti-inflationary force, Mr. Arnold said. Because life companies buy investments for income over a long pull, he stated their huge Government bond investments aid the Federal Government without constituting a threat to its credit as they will not be "dumped" after the emergency.

Like Charles F. Hobbs, who also addressed the convention, Mr. Arnold cautioned against yielding to pressure to invest in common stocks, as a solution to the low interest problem. Mr. Arnold said:

> We are a business entrusted with the security of millions of people and it is dangerous to think in terms of solving the shortage of sound investments by opening the door to the use of insurance funds as risk or venture capital and to involvement of insurance management in the ownership or control of other enterprises. Historically, the only reliable safety valve in a period of decreased interest earnings in our business has been a higher cost for life insurance. While you and I deplore the thought of further increases in the cost of insurance to the public, in the business of supplying security there is only one choice as between higher cost or lower quality.

Plan To Provide Hawaii With Civilian Supplies

A program for supplying food, feed, and seed to meet civilian needs in Hawaii was announced on Dec. 17 by the United States Department of Agriculture. The program says the announcement, will operate through a revolving fund established with an initial $10,000,000 made available from funds appropriated by Congress to the President. It will be administered by the Department's Agricultural Marketing Administration, recently established by Secretary of Agriculture Wickard consolidating the work of the Surplus Marketing Administration, the Agricultural Marketing Service, and the Commodity Exchange Administration.

"Under the program," Roy F. Hendrickson, Agricultural Marketing Administrator said, "required supplies of food, feed, and seed will be bought, shipped and stored as necessary for use in Hawaii." He added:

> As needed, the supplies will be turned over for sale to civilians through regular trade channels in Hawaii. Distributors will pay for their supplies on the basis of the cost of the products on the mainland, plus transportation, storage and other handling charges. These receipts will be used to reimburse the revolving fund, continuing the operation as long as is necessary."

The program was developed in cooperation with representatives of Hawaii as well as those of other Government agencies, including the Bureau of the Budget, the War Department, Maritime Commission, and the Department of the Interior. It is stated that Hawaii has a population of around 423,000 and is dependent upon the States for the bulk of its supplies, especially food and livestock feed. The seeds to be shipped are intended to assist in the development of greater self-sufficiency through the cultivation of gardens and other crop production.